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WORLD NEWS

Witness says he lied over SAS shooting

Bank clerk Kenneth Asquer yesterday admitted making up his statement about the death of one of the three IRA terrorists killed by the SAS. He told the Gibraltar inquest into the shootings that days after being pestered to appear on the television programme, Death on the Rock, prompted him to invent the story that an SAS soldier stood with his foot on the body of Sean Savage and shot him repeatedly. Page 4

Oil rig safety calls

The Government came under mounting pressure to boost offshore safety rules after Thursday's explosion on the North Sea oil rig Ocean Odyssey. The rig was moved from the blazing gas well yesterday, but the search for Timothy Williams, who is still missing, was thwarted because the rig was considered too dangerous to board. Page 4

Diplomatic reminder

The Foreign Office asked senior envoys in London to help stamp out abuses of diplomatic privilege, following recent expulsions of diplomats for spying, gun offences and refusing to pay parking fines. Page 4

Spain expels envoy

Spain gave an Equatorial Guinea diplomat 24 hours to leave the country. Ervay Zangue Njanga was detained last week at Madrid airport where he allegedly tried to collect a suitcase of drugs. Page 4

RAF Phantom crashes

Two crewmen were killed when their RAF Phantom crashed at Abingdon, Oxfordshire, during a routine flight to a Battle of Britain air display. The future of today's air show was under review last night. Page 4

Deaver on probation

Former White House aide Michael Deaver was sentenced to three years' probation for lying on oath about his lobbying activities. Page 2

Ulster killing

Loyalist gunmen smashed their way into the West Belfast home of Gerard Slane, 26, and shot him dead at the top of the stairs. The outlawed Ulster Freedom Fighters admitted the killing. Page 2

Proposal on child abuse

Lord Justice Butler-Sloss, who headed the inquiry into the Cleveland child abuse affair, suggested fathers guilty of child abuse could in some cases be allowed to stay in the family home, provided the protection of the child could be ensured. Page 2

Gibraltar criticised

Mrs Margaret Thatcher ended her visit to Spain by attacking the Gibraltar Government for its refusal to implement last year's Anglo-Spanish deal on the joint use of Gibraltar airport. Page 2

Seoul student protest

South Korean police used tear gas on students protesting at the arrest of their union leader at a leading Seoul university - about 10 miles from the nearest Olympic sports ground. Page 3

Burmese opposition links

Burmese opposition leaders announced they would form a united front of all groups struggling for democracy against the military government of Gen Saw Maung. Burmese military refused to negotiate with opposition. Page 3

London fares to rise

London bus, Underground and light railway fares will rise by an average 12.4 per cent in January. Page 5

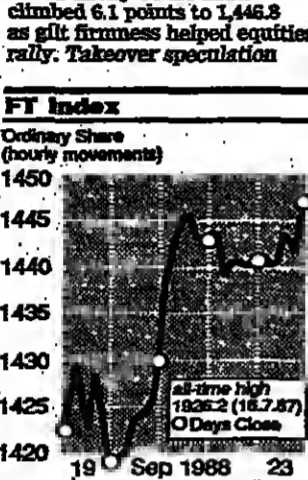
Labour queries figures

Labour called for an independent inquiry into government unemployment figures, arguing that the growth in new jobs had not matched the cuts in the jobless register. Page 5

Nigeria wins 20-year debt agreement

NIGERIA has won a 20-year rescheduling deal for its \$5.2bn (\$3.1bn) debt to commercial banks, ending negotiations which have lasted more than a year. The agreement, helping reduce the burden of external debt estimated at \$26bn, involves 20-year repayment of medium-term debt, beginning after a three-year grace period. A letters of credit rescheduling provides for 12-year repayment, also after three years' grace. Page 22

FT Ordinary Share Index



continued to fuel rises across the broader range of the market. Markets, Page 14

SKANDIA, Sweden's leading insurance group, is bidding \$345.5m (\$257.7m) to regain control of Skandia International, in which it has a 46 per cent stake and which it spun off three years ago, in preparation for the single European market from 1992. Page 12

HONGKONG LAND, one of the colony's biggest landlords and a member of the Jardine Matheson group, increased net profits 13 per cent to HK\$588m (\$868.7m) for the six months to June, as rentals in Hong Kong's central financial district slipped. Page 12, Box, Page 22

NORTH KALGOORNEY Mines, Australian gold producer controlled by Alan Bond, reported an attributable loss of A\$68.7m (US\$46m) for the year to June, compared with a A\$17.7m net profit, following a fall in the gold price. Shareholders will receive no dividend. Page 13

ALLIED LYONS shares jumped 36 1/2% to close at 456 1/2p after about 1.7 per cent equity was traded. There was speculation that Bond Corporation, which holds 7 per cent, might be about to sell its stake in the UK drinks group. Page 19

CONSOLIDATED Gold Fields, UK-based mining and aggregates group, has appointed Wasserstein Perella, Wall Street corporate finance firm, as an additional adviser against a \$2.5bn takeover bid by Minco, South Africa-controlled investment company. Page 10

COOKSON GROUP, UK specialist metals and chemicals company, failed in its \$26.5m offer for Wolstenholme Rink lithographic materials concern. Cookson's bid lapsed after attracting acceptances from only 0.8 per cent of Wolstenholme shareholders. Page 10

WHITBREAD, UK brewing and retailing group, is to sell the eight sites of its quick-hamburger restaurants to Burger King fast food chain for about \$7m. Page 10

UK Government is considering legislation to force companies involved in takeovers and mergers to disclose how they plan to continue pension schemes. Page 23

PACIFIC DUNLOP, Australian manufacturing group, agreed to buy the Repco auto parts distribution business from Australia Australia for A\$350m (US\$202m). Page 12

LIBERTY, UK retail, wholesale and textile printing group, was hit by a lack of US tourists at its London store, which helped push first-half profits down to £1.4m from £2.2m. Page 10

Howe to meet Iranian counterpart to discuss restoring relations

By Robert Mauthner and Andrew Gowers

SIR GEOFFREY HOWE, the Foreign Secretary, is to meet Dr Ali Akbar Velayati, his Iranian counterpart, in New York on Friday to discuss measures to normalise diplomatic relations. The meeting is the strongest indication of a desire by Britain and Iran to end the freeze in relations since the 1987 implementation of UN Security Council Resolution 598, which called for a ceasefire in the Iran-Iraq conflict as well as the withdrawal of the combatants' troops and negotiations on a final settlement to the war. Efforts to implement more British ministers are anxious not to be seen to be rushing to improve relations in view of uncertainties about Iranian policy, but they predict restoration of full ties within six months if all goes well.

Senior British and Iranian Foreign Ministry officials are to meet in Geneva on Tuesday to prepare for the ministerial talks at the annual meeting of the United Nations General Assembly.

Earlier this year there was a deal on compensation for damage to the two countries' embassies after the 1978 Iranian revolution, and a warm British reaction to Iran's decision to seek peace in the Gulf.

Sir Geoffrey and Dr Velayati also intend to discuss the full implementation of UN Security Council Resolution 598, which called for a ceasefire in the Iran-Iraq conflict as well as the withdrawal of the combatants' troops and negotiations on a final settlement to the war.

Efforts to implement more British ministers are anxious not to be seen to be rushing to improve relations in view of uncertainties about Iranian policy, but they predict restoration of full ties within six months if all goes well.

Senior British and Iranian Foreign Ministry officials are to meet in Geneva on Tuesday to prepare for the ministerial talks at the annual meeting of the United Nations General Assembly.

companies - second only to West Germany - at the Tehran International Trade Fair shows British interest in Iran's reconstruction plans.

Britain is looking for a guarantee of security for its diplomats - though it appears to be prepared to accept informal assurances - as well as equal diplomatic representation in Tehran and London.

Sir Geoffrey will be anxious to obtain assurances that incidents such as the beating up of the British diplomat Mr Edward Chaplin by Iranian Revolutionary Guards in 1987 will not be repeated.

Since the row over this apparent retaliation for the arrest for theft of an Iranian consular official in Manchester, British interests have been looked after by the Swedish embassy in Tehran.

The single permitted British diplomatic post in Tehran has not been filled since last autumn, but a British diplomat was in Tehran last month and another official, Mr Gordon Pirie, is in Tehran to make contact with the Foreign Ministry and look after British business interests.

Envoys told to abide by rules. Page 4

Lebanese governments in battle for power

By Jim Muir in Beirut

LEBANON was yesterday embroiled in its worst political crisis since it gained independence from France 45 years ago, as two rival governments vied for legitimacy and foreign recognition.

The cancellation of a special session of parliament which had been due yesterday to elect a successor to President Amin Gemayel, who stepped down on Thursday night at the end of his six-year term, removed the last hope of finding an early solution which would allow retention of a unitary Lebanese state.

As Beirut braced itself for a possible resurgence of fighting between Christian and Muslim militias in the country's 15-year-old civil war, Western governments expressed serious concern about the failure to elect a new president and the prospect of formal partition.

The division of the state into cantons run by warring militias and could usher in a new round of civil strife.

Syria, the main foreign power-broker in Lebanon, denounced an interim Christian-dominated government appointed by the outgoing president and threw its weight behind a rival Muslim administration headed by Mr Selim al-Hoss, until Thursday the acting prime minister.

Many Beirut inhabitants stayed at home following Thursday's clashes along the Green Line dividing the Christian east of the city from the Muslim west.

The crisis arose when Mr Gemayel, having failed to construct a broad-based transitional cabinet on Thursday, appointed a six-man military government under Gen Michel Aoun, the Christian Lebanese Army commander, just 10 minutes before stepping down. The appointed Muslim army officers refused to serve, leaving only three Christian officers in charge in east Beirut.

Yesterday the old cabinet headed by Mr al-Hoss insisted that it remained Lebanon's legal government. Syria's mainly Muslim allies agreed.

Mr Hussein al-Husseini, the parliament speaker, who ranks second to the president in Lebanon's official hierarchy, denounced Gen Aoun's government as illegal and asked Mr al-Hoss's cabinet to assume the President's powers. It is to hold a cabinet meeting today, amid speculation that Mr al-Hoss may expand it to compensate for the likely defection of several Christian members.

In Damascus, the state radio described the Christian interim government as "misshapen and a caricature" and said it was "born dead because there was still a legitimate government."

Beirut-based diplomats found themselves in a dilemma with Lebanese governments lobbying for their attention. Some expressed Continued on Page 22

Home loans fall shows market may have peaked

By David Barchard

BUILDING society lending in August was 25 per cent down on July, providing the strongest indication yet that the UK housing market may have passed its peak.

Figures released yesterday by the Building Societies Association showed new mortgage lending during the month at £2.97m compared with £3.5m in July. The total was the lowest for any month this year except January, when the housing market is always at its most depressed.

Mortgage rate increases by banks and building societies over the last 10 days are expected to dampen demand further. Rates are the highest for three years.

There are now clear signs, in London and the south east at least, that the housing market has moved from overheating to a more normal relationship between supply and demand," said Mr Mark Boleat, director general of the Building Societies Association.

Halifax and Abbey National, the two largest building societies, said yesterday that the drop in mortgage lending in August arose from a sharp fall in demand.

"We believe that the market is now levelling out and that this will continue in the months ahead," said the Halifax. It predicted that house prices would grow more slowly in 1989 than this year.

It expected house prices to rise by about 10 per cent next year compared with more than 25 per cent this year but warned that the market might become more lively in October and November after the holiday season.

Mr Peter Constable, chief executive of Lloyds Bank Black Horse Estate Agencies said: "There are signs of a slowing down of the housing market, but the market is much stronger the further from London one gets. It is still difficult to see that the quietening down is not seasonal."

August is traditionally slack for house sales, and this year it was made more so by the Budget decision to end multiple income tax relief on mortgages for a single property from August 1.

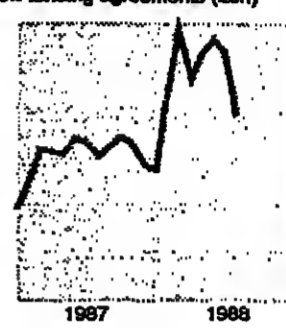
House buyers who would have waited till autumn to enter the market were encouraged to take advantage of tax relief which would not be available after the deadline.

Funds advanced in August by building societies for mortgages were a record £5.6bn reflecting earlier lending agreements.

The flow of savings into building societies may also be slackening. A total of £1.17bn in net savings, the lowest for six months, was reported in August. This was 15 per cent less than in July, but receipts are usually down in August and societies were not surprised by the figure. Lex, Page 22

Building Societies

New lending agreements (£bn)



Weekend FT



A TASTE OF FREEDOM

Jean-Paul Kauffmann, held hostage in Beirut for three years, tells how his memories of Bordeaux wines kept him sane during his captivity. Page 1

Finance

Decision time for London Life policyholders, plus Alan Bond's latest moves for M & G. Page IV

Motoring

Two pages on collectable classic cars. Pages VIII, IX

How To Spend It

...in a Giorgio Armani store planned in London. Page XXI

Arts

The phenomenon of Les Misérables and its co-producer, Cameron Mackintosh. Page XXIII

Sport

Carl Lewis: in search of the elusive Olympic double. Page XXIV

Tesco seeks to recruit people aged over 55

By John Gapper, Labour Staff

TESCO, the food retailer, plans a recruitment drive for people aged over 55 in the London region. The move may be followed by other retail chains facing labour shortages in the south-east.

J. Sainsbury also expects to seek older workers more vigorously. It sees them as an alternative labour source to school leavers, whose numbers are shrinking. Other groups to be considered may be ethnic minorities, the disabled and long-term unemployed.

Tesco is about to launch an advertising and recruitment campaign aimed at over-55s for the 50 stores it operates inside the M25 motorway, which encircles London. This follows successful pilot schemes in the Sussex towns of Bognor, Horsham and Crawley in the Thames Valley. Continued on Page 22

Lonrho buy-out stance angers market makers and lifts shares

By David Waller

LONGRHO, the international trading group which is being stalked by Mr Asher Edelman, a US corporate raider, sparked off a speculative flurry in its shares yesterday when it said that it would not accept a takeover offer or a management buyout.

This statement, carried on the Reuters news service yesterday morning, galvanised the Lonrho share price, which had begun to slip from Thursday's close amid heavy trading, the shares reached 348p at one stage before falling back to close at 342p, up 38p on the day and 30 per cent higher than at the beginning of the week.

This way the statement reached the market angered market makers. The Stock Exchange index on a formal statement on its company news service, the normal conduit for price sensitive information, which duly appeared in mid-afternoon.

Mr Paul Spicer, the Lonrho director quoted by Reuters, has over the years made no secret of his belief that Lonrho is radically undervalued by the London stock market.

He told Reuters: "If shareholders want us to break the company up and release £5 a share, the best team in the world for selling the assets is the Lonrho board."

"Similarly, we could consider buying the company ourselves, we, the board, and Mr Edelman, Lonrho's chief executive, working together, could buy it. There are such things as management buyouts."

Coming in the wake of the disclosure earlier this week that Mr Edelman had accumulated at least a 3.75 per cent stake in the London-based conglomerate, Mr Spicer's comments were initially interpreted as a policy statement. Later on, analysts were a good deal more sceptical.

"Whether Mr Spicer decides that this was his intention or not," said one, "his remarks have driven the shares up so high that they may now be out of Mr Edelman's reach."

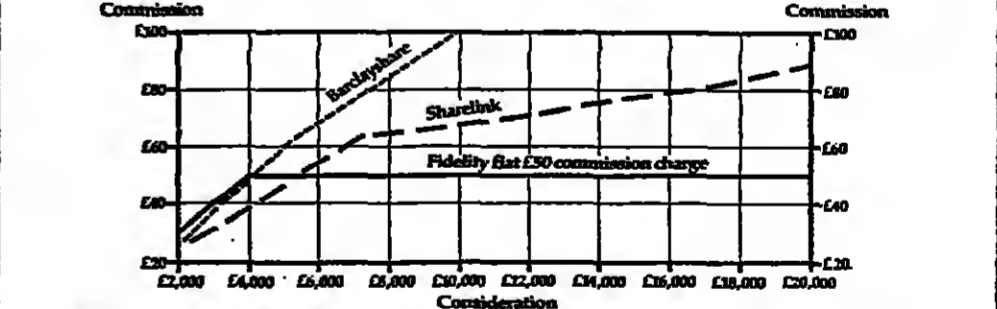
Later to the day, Mr Spicer conceded that a management buyout was a "non-starter." Furthermore, he claimed that the Reuters report had put undue weight on remarks delivered in response to general questions.

"The turnover in our shares yesterday was largely due to the recognition that Lonrho has been undervalued for some time," he said. "The publicity we have received over the last week has drawn everyone's attention to that."

He refused to comment on courtroom manoeuvres which have resulted in a freeze on 17m shares believed to have been bought by Mr Edelman. Continued on Page 22

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MARKETS table with columns for Sterling, Dollar, Stock Indices, and various market data.

CONTENTS table listing various articles and their page numbers.



OVERSEAS NEWS

Delors strikes back with vision of cohesive Europe

By David Marsh in Cologne

MR JACQUES DELORS, president of the European Commission, yesterday responded to Mrs Thatcher's views on the future development of the Community by calling for a Europe combining "solidarity, liberty and prosperity".

Addressing trade unionists and businessmen in Cologne, Mr Delors set out his objective of a Community strengthened by economic deregulation through the 1992 internal market plans, and anchored by co-operation and dialogue between employers and trade unions.

In a firm rejection of the British Prime Minister's misgivings in her Bruges speech on Tuesday, Mr Delors ruled out any question of wanting to build Europe on a "single model". He listed increased competition, lowering of trade barriers, local decision-making and "respect of diversity" as the four key principles underpinning plans for developing the Community.

During his address, which was also aimed at allaying sep-

arate West German fears on the pace of deregulation throughout the Community, Mr Delors studiously avoided mentioning Mrs Thatcher by name, saying he wanted to avoid "polemics". But the Commission president, who believes that Mrs Thatcher has not given him enough credit in public for pushing through this year's EC agricultural and financial reform package, made clear his view that Mrs Thatcher was not trying to undo the "marriage contract" put together under the EC's Single European Act last year.

Referring to the "aggressiveness" of views put forward extolling "exaggerated deregulation", Mr Delors said that economic success and social cohesion were inextricably mixed.

He pleased trade unionists by paying tribute to the social consensus-based "German way" but he also issued a stiff warning against the tendency of German trade unionists and employers to blame rationalisation moves on the

EC's integrated market plans. Steps to adjust the German economy would need to be taken anyway because of world economic challenges, he said. He also attempted to dampen German fears that the single market would lead to companies sifting jobs and investment in lower cost, less regulated countries outside the Federal Republic. Costs were just one factor behind investment as companies were also looking for the most favourable "intellectual environment" and best training facilities.

Scepticism about pulling down economic barriers in Europe was summed up by Mr Ernst Breit, chairman of the West German Trade Union Federation (DGB). He said liberalisation of EC markets was being used by employers as an excuse to reduce standards enjoyed by German workers.

Although West German unions are giving support to the 1992 plans, there is considerable unease that high German wages, job protection and employee participation could be eroded.

Thatcher condemns Gibraltar on airport

By Peter Bruce in Madrid

MRS MARGARET Thatcher, the British Prime Minister, yesterday attacked the Gibraltar Government for not implementing the agreement reached last year between Britain and Spain over joint use of Gibraltar airport.

Ending a two-day visit to Spain that has been marked by diplomatic harmony over the once delicate issue of Gibraltar, she said Britain had been "very sad" that the agreement had not been put into practice. "It is a good agreement in its own right," she said, "it would be good for Gibraltar and good for the people of Spain."

The Government in the British colony have refused to implement it, saying it would be the thin end of the wedge in Spanish efforts to regain sovereignty over the Rock. Mrs Thatcher insisted though the Gibraltarians could not be forced to accept the airport deal. "Our only weapon is persuasion," she said.

Mr Gonzalez, who has been criticised from his right for not pushing Mrs Thatcher on Gibraltar while she was here, insisted that more progress had been made on the issue in the last four years than at any time since 1773, when the British assumed sovereignty over it. He made it clear though that Spain expects more progress, saying the problem was not "static".

Mrs Thatcher, who was effusive in her praise of Mr Gonzalez for bringing Spain into Nato and for the way he had presided over the growth of Spain's economy, also seemed to dismiss any doubts that Madrid's application to join the Western European Union, the seven-nation European defence grouping, might fail because of Spain's refusal to allow nuclear weapons on her territory or their transport through it.

Mr Gonzalez also said that the delay in Spain joining the development phase of the European Fighter Aircraft with Britain, West Germany and Italy did not mean it was considering joining the rival French project, the Rafale. Rather, he said, it was a question of finding sufficient funds to maintain Spain's 18 per cent stake in the project.

Magistrate wants De Benedetti 'put on trial for extortion'

By John Wyles in Rome

A RECOMMENDATION that Mr Carlo De Benedetti, the leading Italian businessman, be sent for trial on charges of extortion in connection with the takeover of Banco Ambrosiano affair has reportedly been made by a Milanese prosecutor.

The decision, widely reported in the Italian press but not officially confirmed yesterday, follows lengthy investigations by Milanese magistrates into the crash of Banco Ambrosiano in 1982. According to the press reports the prosecutor has concluded

that there is no case of fraudulent bankruptcy to be sustained against Mr De Benedetti.

His recommendations, which are still subject to confirmation by two senior investigating magistrates, follow investigations into Mr De Benedetti's 68-day sojourn as deputy chairman of Banco Ambrosiano from November 1981 to January 1982. The businessman's relationship with the troubled bank headed by Mr Roberto Calvi - later found hanging from London's Blackfriars Bridge

- began with his purchase of a 2 per cent stake for L50m (£21.4m) when he became deputy chairman and ended with the sale back to Ambrosiano of his holding for the same sum plus L2.5m of interest.

In a related transaction, Mr De Benedetti reportedly placed L27m of shares of one of the companies in his portfolio with Ambrosiano. Mr Francesco Dell'Usta, the Milan prosecutor, is said to believe that the price was above market value. Mr De Benedetti's lawyers say there is no case to answer on the charge of extortion.

Deaver put on 3 years probation for lying

By Lionel Barber in Washington

MR MICHAEL DEEVER, the former top White House aide and confidant of President Ronald Reagan and his wife Nancy, was sentenced yesterday to three years probation for lying under oath about his lobbying activities.

Mr Deaver, 50, avoided a prison sentence after pleading for leniency but a judge in Washington ordered him to pay a total of \$100,000 and to do 1,500 hours of community service.

The Deaver case came to symbolise the "leaks factor" in the Reagan administration. Dozens of former officials have come under ethical scrutiny for their activities in and out of government and Mr Deaver, a former White House deputy chief of staff, is the highest-ranking official to be convicted of a crime.

Mr Deaver faced a maximum 15 years in prison, but his attorneys successfully argued that his memory and judgment had been impaired by alcoholism when he lied to a congressional committee about his lobbying activities.

Mr Deaver had lied when he denied helping a South Korean diplomat get access to President Reagan. He also told a Grand Jury that he could not recall contacting officials on behalf of major corporations for jobs and contracts to represent them in Washington.

Shevardnadze shows deft touch

By Lionel Barber

MR EDUARD Shevardnadze, the Soviet Foreign Minister, continued talks here on arms control and other bilateral issues.

The two-day visit, which includes a White House meeting with President Reagan, will probably be Mr Shevardnadze's last trip to Washington before the November presidential election. However, it is not expected to produce any new substantive agreements.

But the Soviet Foreign Minister has adopted a budding approach combined with deft diplomatic touches, notably his announcement yesterday that an Armenian dissident living in the US will be allowed to

visit his dying mother.

The dissident, Mr Ambarsum Khigatian, in a dramatic appeal for a visa to the Soviet Union, jumped in front of Mr Shevardnadze's limousine outside the State Department on Thursday. Mr Shevardnadze stepped out of his car and pledged to review the case.

Mr Shevardnadze's announcement comes as the Soviet leader Mr Gorbachev is struggling to control continuing violent clashes between Armenians and Azerbaijanis in the disputed territory of Nagorno-Karabakh, where a state of emergency is in place.

The Soviet Foreign Minister spokesman said on ABC televi-

sion that the violence in Azerbaijan was "against all our ideas of our Soviet Union being a union of friendly nations. That's why we are very upset over these things."

US officials have played down expectations of progress on arms control, though some reports yesterday said that the two sides were discussing a possible limit on the number of new warheads on ballistic missiles as an interim pact to a strategic arms treaty.

But Senator Robert Byrd, the Senate majority leader, has said he is opposed in principle to interim agreements because they undercut the Senate's role in approving foreign treaties.

Dutch name new defence minister

By Laura Raun in Amsterdam

MR FRITS BOLKESTEIN, a former state secretary in the Dutch Foreign Ministry, has been appointed defence minister, replacing Mr Wim Van Houtven, who resigned two weeks ago in the "passport affair".

Mr Bolkestein, a member of the Liberal Party, has little experience in defence matters and was chosen to avoid conflicts with Mr Jan Van Houtven, the state secretary for defence.

The "passport affair" nearly brought down the Christian Democrat-Liberal coalition yesterday when the prime minister threatened to resign. He defended his foreign minister's claim that no "incorrect information" about the new European community passport had been provided to parliament.

A symbolic motion of no-confidence against Mr Hans Van Broek, the foreign minister, was voted down.

Bank of Spain raises its interbank rate by a point

By Peter Bruce

THE BANK of Spain yesterday raised its interbank rate by a full 1 percentage point yesterday, to 11.75 per cent, raising fears in local financial markets of an increase in commercial bank rates next week.

The move follows a sharp, one point rise in prices in August, pushing Spanish inflation to 5.6 per cent for the year and forcing the Government to abandon its target of 3 per cent inflation for this year.

The sharp rise in inflation came as a surprise to the Government and threatens to unravel, or at least hamper, its efforts since May to press interest rates down. It had come in for strong criticism from industry for encouraging high real interest rates in Spain by borrowing heavily in the commercial markets to fund its own debt and infrastructural projects.

Encouraged by the central bank, most banks then moved their prime rates down two or

three points to around 13 per cent but this now seems threatened. The Government will, however, be able to counter any renewed criticism by pointing to other strong interest rate increases in Europe recently, notably in the UK.

A Bank of Spain statement said yesterday that it had raised its rates to "contribute to the elimination of elements of tension that could endanger continued expansion and the high rate of job creation." Spain's consumer boom has helped fuel a furious rise in food prices and the bank said it was trying to avoid a re-heating of the economy by increasing the cost of money.

The Government is understood to be considering other measures to cool the rise in food prices, including lowering tariffs on food imports.

The real worry for the Government, though, is that rising prices will lead to difficult wage rounds next year.

Fears on Third World missiles

By Andrew Gowers

SENIOR US and Soviet officials are to meet in Washington on Monday to discuss the dangers posed by the proliferation of ballistic missiles in the Third World, especially the Middle East.

The meeting between Mr H. Allen Holmes, US Assistant Secretary of State and Mr Viktor Karpov, director of disarmament at the Soviet Foreign Ministry, arises from an agreement between President Ronald Reagan and Mr Mikhail Gorbachev at last June's Moscow summit to hold bilateral discussions on the missile issue.

The US is increasingly eager to obtain the broadest possible international agreement on measures to halt the spread of technology which can be used to launch nuclear or chemical warheads over long distances. This follows the formal establishment by seven western nations in April 1987 of a Mis-

sile Technology Control Regime (MTCR).

In particular, the Reagan Administration and other western governments are focusing their attention on Argentina's Condor-2 missile programme, which according to western officials is being developed in conjunction with Egypt and Iraq.

The talks also come against a background of mounting allegations that western European companies have been involved in the unauthorised sale of ballistic missile technology to developing countries. A book to be published next Thursday reveals that SNIA BPD, a subsidiary of Italy's Fiat group, was investigated by the US authorities last year for allegedly selling technology to Argentina which was subsequently used in the Condor-2 project. SNIA was as a result hit by US sanctions which tem-

porarily barred it from obtaining missile technology from US joint venture partners such as United Technologies and LTV.

Fiat confirmed yesterday that it had been investigated and temporarily penalised, but said that its affiliate had been cleared of any involvement with Argentina's ballistic missile project. A spokesman in Turin said SNIA's only involvement with Argentina had been its participation, along with West Germany's Messerschmitt-Bölkow-Blohm, in the construction of a limited-range meteorological satellite which in the event was never launched. In Washington, an American official said yesterday that US problems with other western countries on the issue were "generally being resolved".

*Agneffi and the Network of Italian Power by Alan Friedman; Harrow; £12.95.*

US sees strong durable goods sales in August

By Andrew Gowers

A SURPRISINGLY strong US durable goods report for August indicates that economic growth in the month was more robust than earlier data had suggested. Agencies report from Washington.

New factory orders for durable goods rose to an adjusted \$123.14bn last month after falling a previous 1.4 per cent in July to an adjusted \$118.14bn and rising 3.7 per cent in June to an adjusted \$125.44bn.

The July decrease was previously estimated at 7.1 per cent. A spate of economic statistics beginning with the employment report for August, which showed some weakness in the number of non-farm jobs added during the month, pointed to the possibility that growth in the economy had begun to slow.

But the August durable goods data was "exceptionally strong," said Mr Joseph Carson, senior economist at Chemical Bank in New York.

"August was not as weak as was suggested by the employment statistics," Mr Carson maintains, adding that "any notion that the industrial sector was slowing down should be dispelled by this (durable goods) data."

BBC upgrades radio service to East Africa

By Raymond Snoddy

THE BBC World Service tomorrow switches on a 50m relay station in the Indian Ocean which will improve reception in 13 East African countries.

The station, on the island of Mahé in the Seychelles, is part of a £100m programme designed to replace second world war vintage transmitters.

World Service broadcasts reach East Africa from distant transmitters either on Cyprus or on Ascension Island in the Atlantic.

The poor reception has meant that in East Africa the BBC has been beaten by other international broadcasters, such as the Voice of America and Deutsche Welle of West Germany.

"Up until now BBC reception in East Africa has been totally inadequate," Mr John Tusa, managing director of BBC World Service, said yesterday.

The two 50kw transmitters on Mahé, fed by satellite from London, will provide a strong signal along the whole length of East Africa.

Poison ship gets an anchorage at Livorno

By John Wyles in Rome

THE agonisingly slow progress of the Karin B towards unloading her cargo of 2,600 tonnes of toxic waste on Italian shores finally led her to continue despite an agreement which should now allow the vessel to anchor in Livorno harbour.

She may be waiting there for a fortnight while a temporary storage area is prepared on the docks. After bowing to local pressure, government ministers have promised the cargo of waste will only be in Livorno for the time it takes to examine the safety of its containers and to carry out tests on their contents. This is expected to take about two months.

In the meantime, the regional administration of Emilia Romagna has been charged with the task of finding a site to store the waste before it is sent for disposal at a plant somewhere in northern Italy. The Karin B has been anchored two and a half miles off Livorno since Monday while negotiations have continued between the local and central administrations in Tuscany and Emilia Romagna.

Big Delta order fails to resolve risks over MD-11

By Roderick Oram in New York

MCDONNELL DOUGLAS still faces high financial risks with its MD-11 long-range aircraft programme despite winning a crucial order from Delta Airlines, the first US carrier to buy the aircraft.

Although the purchase of nine aircraft by a major airline such as Delta is likely to encourage further orders, McDonnell Douglas has notched up only 53 sales - all but for Delta from foreign carriers - since the programme was launched in late 1986.

Wall Street analysts estimate it needs to sell about 170 to break even on the \$1.7bn programme. The burdens of developing the aircraft, an updated version of the DC-10, have already contributed to a near doubling of the group's long term debt to around \$1.2bn, or 26 per cent of its capital, since the end of 1987.

The orders were highly welcome none the less for the St Louis-based company after it lost to Boeing big orders from American and United, two carriers, and International Lease Finance, a US lessor, earlier this year.

Dividing its business between the two manufacturers, Delta placed in total 18 firm orders and 197 options. It was the largest order ever placed by an airline, worth about \$100m if all the options are exercised.

Delta said it placed nine orders and 31 options for the three-engine MD-11 in preference to Boeing's slightly larger four-engine 747 because it believed it to be the more flexible and economic aircraft. The choice was swayed by McDonnell Douglas's recent decision to build a stretched version of the MD-11.

The big disappointment for McDonnell Douglas, however, was Delta's decision not to buy its MD-90 propan aircraft because it considered the new engine technology still raised too many questions about fuel efficiency and overall operating costs.

Overall one of the biggest winners will be United Technologies' Pratt and Whitney engine subsidiary which beat Rolls Royce and General Electric. The firm aircraft orders represent \$350m of engines.

Dukakis faces TV debate test

By Stewart Fleming, US Editor, in Washington

GOVERNOR Michael Dukakis of Massachusetts is facing a big test of his presidential candidacy in tomorrow night's nationally televised debate with his Republican rival Vice President George Bush.

Between one quarter and one third of American voters are still undecided about who they will support in November's election according to opinion polls. Although much of Mr Bush's support is fragile too, more voters say they need to form a clear impression of the Massachusetts Governor's qualities and views than say they have a hazy impression of the Vice President.

This presents Mr Dukakis with an opportunity to broaden his support if he does well in the debate, but will leave him with an even more formidable challenge in the last six weeks of the campaign if Mr Bush is able to press home the advantage he has won since the election campaign began in

earnest at the beginning of September.

Polls published yesterday show that Mr Bush still enjoys a slim lead of 4-8 percentage points among likely voters. Polling experts, however, maintain that in all intents and purposes the two men go into the race evens on this measure taking into account the margins for error in such data.

Mr Bush still seems to have the political winds blowing in his favour, however, having set the agenda for debate over the past few weeks and successfully raised doubts about Mr Dukakis on questions of his leadership ability, on defence and on foreign policy expertise. But there are signs that he needs to present viewers with something new if he is to retain this advantage.

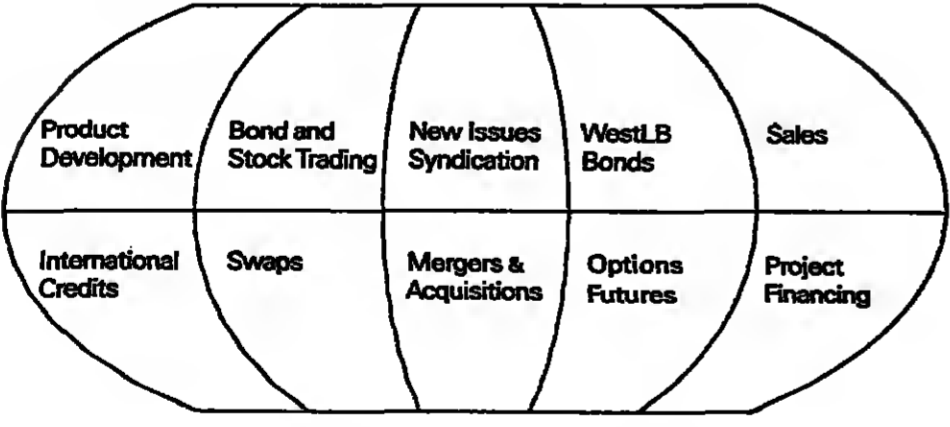
Most analysts believe too that if the contest is analysed on the state-by-state basis, which is how the election will

be decided, Mr Bush, with his solid support in the South, a stronger position in many Western states and holding Governor Dukakis even in the midwest, is in the stronger position.

Worrying to the Bush camp, however, is evidence that the press, and perhaps the voters, are beginning to tire of Mr Bush's campaign style which emphasises imagery over substance, and the fact that Governor Dukakis's campaign has begun to react more quickly and effectively to events.

The past week has seen Mr Dukakis trying, with some success so far as television coverage is concerned, to shift the focus of debate onto issues which work in his favour such as the nation's inadequate health care system, hitting back at Mr Bush with harsher and more vivid rhetoric and launching an all-out attack on Mr Bush's credibility.

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OVERSEAS NEWS

Malaysian PM to discuss £1bn UK defence deal

By David White, Defence Correspondent, and John Riddling

DR MAHATHIR MOHAMAD, the Malaysian Prime Minister, arrives in Britain today for a four-day visit during which a long-discussed defence deal worth at least £1bn could be concluded.

Although the visit is private Dr Mahathir will hold talks with Mrs Thatcher, the British Prime Minister, on Tuesday.

The defence deal, for which the GEC-Marconi group would be the prime contractor, is understood to involve the supply of Tornado combat aircraft made by the British-West German-Italian Panavia consortium, as well as air-defence radar and missiles, said how it is expected that the purchase, following the model of the UK's multi-billion pound deal with Saudi Arabia, would be paid for at least in part by oil from Malaysia's offshore reserves and other products.

Groundwork for the deal was laid when Dr Mahathir visited Britain last year. Mr George Younger, the British Defence Secretary, visited Kuala Lumpur in March this year, followed by Mrs Margaret Thatcher, the Prime Minister, on her way back from Australia in August.

UK officials said earlier this month, however, that there were still problems to be overcome. These are believed to

range from financial conditions to a linkage between the deal and London landing rights for Malaysian Airlines System.

The US has also just given the go-ahead for possible supply to Malaysia of General Dynamics F-16s.

Dr Mahathir's visit comes against a background of improved bilateral relations. Diplomatic ties between Malaysia and Britain reached a low point in the early 1980s when a dispute erupted over a decision to charge increased fees for overseas students in Britain. In protest Dr Mahathir launched a "buy British last" campaign and encouraged Malaysian industry and consumers to "look East".

Relations improved after an official visit to Malaysia by Mrs Thatcher in 1986 and after Dr Mahathir's first official trip to Britain last year. They have not been damaged by criticism of Dr Mahathir's increasingly authoritarian style of government.

Dr Mahathir arrives in Britain following official visits to West Germany and Belgium where he sought to encourage investment in Malaysian industry and increased trade links. He also expressed fears concerning the creation of a unified European market in 1992.

Speaking at an official luncheon with Mr Helmut Kohl, the West German Chancellor, Dr Mahathir said: "Europe's move to develop a single European union could turn the continent into a fortress against free trade."

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Milosevic: centre of crisis



Serbia's leader plays the nationalist card

Judy Dempsey reports on the gathering political crisis in Yugoslavia

THE escalating tension between ethnic Albanians and Serbs in the autonomous province of Kosovo, which has aroused passionate nationalist demonstrations by Serbs throughout Yugoslavia, is no longer regarded as an isolated case of nationalism.

For many Yugoslavs, and particularly for Mr Slobodan Milosevic, the 47-year-old charismatic leader of the Republic of Serbia, the Kosovo problem is symptomatic of a much broader political crisis, of which Mr Milosevic himself is the centre of attention.

For Mr Milosevic, son of an Orthodox theology professor, the rise of nationalist tensions may serve as a useful tool for radically reorganising the political system of Serbia and, ultimately, Yugoslavia.

The present system, enshrined in the 1974 constitution, was aimed at decentralising power throughout the federation. In a nutshell, the system made rational economic planning and political decisions impossible to make without major and often damaging compromises.

Few of the republics dispute the need to amend the constitution. But they deeply dis-

approve of the methods deployed by Mr Milosevic whose aim, though he has not clearly spelt this out, is to reform the economy and certain political structures.

Such plans, which include attracting new investments for Serbia, introducing high-technology and looking towards the European Community, will not be achieved overnight. For one thing, Mr Milosevic has inherited decades of vested interests and a tight patronage system which resist his bold plans. In spite of his political skills, he has found it difficult to dislodge old factory managers in Serbia.

He has also met with resistance in his attempts to interpret the Serbian constitution in such a way that the two autonomous provinces of Kosovo and Vojvodina, which are constitutionally linked to Serbia but retain a wide measure of political and economic autonomy, would be incorporated fully into Serbia.

To attain this goal, which some Yugoslav commentators

believe is just the beginning of his political ambitions, Mr Milosevic has run roughshod over the Serbian media and party organisation.

He has purged the Belgrade media, once the flagship of Yugoslav journalism and, in doing so, alienated the liberal Serbian intelligentsia. In the Serbian party itself, he has ousted his main rival, Mr Ivan Stambolic, once Mr Milosevic's patron when both men worked at Technogas, the Serbian gas complex.

But it is his long-term aim which sends shudders through some of the party establishments in the republics. Those who work with Mr Milosevic say he is determined to rid Yugoslavia of "incompetent, corrupt leaders".

This has proved far from easy. With little support from Croatia, Slovenia, Bosnia and the autonomous province of Vojvodina, Mr Milosevic has resorted to going over the heads of republic party bosses.

During the recent 16th central committee plenum, Mr Mi-

losevic insisted that the proceedings be televised live. "He wanted to show just how incompetent some of these people are," a Yugoslav journalist commented. Mr Milosevic made his point. His eloquent, but tough, no-nonsense speeches contrasted sharply with the polemic and platitudes of some of his central committee colleagues.

Although he denies supporting the nationalist and often racist-ridden demonstrations by Serbs against ethnic Albanians, Mr Milosevic has made no effort to prevent them.

These demonstrations, not seen since the early days of the late Marshal Tito, are last becoming a useful tool for Mr Milosevic. And the demonstrators clearly regard him as their new "hero". Indeed, so great is Mr Milosevic's popularity that the demonstrators have abandoned the old portraits of Tito and instead wave giant Milosevic portraits.

But can Mr Milosevic deliver the goods? Continuing nationalist demonstrations against

the ethnic Albanians in Kosovo are likely to lead to open unrest in the streets of Prishtina, Kosovo's main city. Commentators in Belgrade say that Mr Milosevic is prepared for such an eventuality and that he could go as far as imposing martial law in Kosovo.

Making such a move in this historically troubled and unhappy region, Mr Milosevic will succeed in fulfilling some of the demands of the Serbs, while at the same time he could push through his amendments to the constitution of Serbia, in effect restoring almost full control over the two provinces to the republic.

But the critics remain wary. "I think it will be impossible for Milosevic to believe that he can switch his attention to the economy after riding on the nationalist card for so long. Nationalism has its own momentum. And that's what we worry about," warned a senior economist.

It appears, though, that Mr Milosevic is willing to take the risk. The 17th central committee plenum scheduled to take place later this month to discuss the Kosovo question, will almost certainly reveal the extent of the risk he is prepared to take.

Tear gas reappears in Seoul

By Maggie Ford in Seoul

STUDENTS protesting against the arrest of their union leader at one of Seoul's leading universities yesterday prompted the use of tear gas by the police for the first time since the Olympic Games began last weekend.

By South Korean standards the demonstration was minor, with students remaining on their Seoul campus, around 10 miles from the nearest sports ground. About 250 students attended and riot police used minimal force.

Students have remained peaceful during the Games, well aware that public opinion does not support any damage to the country's image during the period. But they undoubtedly regard the arrest of their leader as provocative.

Just before the Olympics started, students at another top Seoul university also demonstrated after the arrest of their leader, who was subsequently released. No demonstrations had taken place since until news came of the new arrest. No arrests or injuries were reported yesterday.

At present there are no formal parties in Hong Kong, though loose groupings of liberals and conservatives have emerged, battling on issues such as the introduction of direct elections and proposals for the method of selection of Hong Kong's first post-1997 governor, after sovereignty reverts to China.

The 13 successful candidates will join 13 colleagues from uncontested seats to take up 26 places in the 56-member law-making body, the Legislative Council, where the majority of 30 is made up of Government officials and appointees.

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Burmese military refuse to negotiate with opposition

By Roger Matthews in Bangkok

BURMA'S military leaders control the disorder, not to make demands on the Government.

His warning was backed by a continuing wave of arrests with thousands of people now believed to be in detention. Following the bloodshed earlier in the week when hundreds of unarmed demonstrators were shot dead by troops, the regime appears determined to round up the grassroots organisers who helped bring hundreds of

thousands of protesters onto the streets of the capital.

Some diplomats believe that the regime is trying to isolate the older generation of opposition leaders, rather than arrest them. Calls by Gen Tin U for talks between a united opposition front and the Government have been ignored. Brig Khin Nyunt, the head of military intelligence, told diplomats that the regime was not planning any negotiation.

Gen Saw Maung's assertion yesterday that he intended to press on with his plan for elections was viewed against that background. "As ever, there is little point in listening to what this regime says. It is what is still doing that matters," said a diplomat.

There was no immediate reaction in Rangoon yesterday to the US's largely symbolic gesture of cutting aid to

Burma. The total in the past year amounted to about \$14m, split equally between development assistance and anti-narcotics aid. Most of the money for the fiscal year ending on September 30 is thought to have been disbursed.

The Japanese Embassy was yesterday trying to secure the release of two journalists arrested earlier in the week for entering the country illegally.

Liberals defeated in Hong Kong election

By Michael Murray in Hong Kong

THURSDAY'S elections to Hong Kong's lawmaking body the Legislative Council resulted in a major setback for the liberal camp, as conservative-leaning candidates emerged as winners in most of the 13 seats being contested.

Some of the most outspoken critics of the Hong Kong Government, such as Mr Desmond Lee, Dr Conrad Lam, and Dr Richard Kai lost their seats in the nine electoral college constituencies, where moderates or conservatives made a clean sweep.

Turnout was close to 100 per cent in these polls, where members of the various district and regional councils, many of whom are government appointees, were voting.

Liberals fared better in the four functional constituencies, where professional groups such as doctors and accountants were electing representatives.

Candidates seen as falling within the liberal camp won the Medical, Health Care and General Chamber of Commerce seats.

In the Accountancy constituency a member of the highly conservative Group of 88, which represents business interests, won through.

Mr Jimmy McGregor, successful candidate for the General Chamber of Commerce seat, pointed to a clear difference between the type of candidates returned in the electoral college seats and those in the functional constituencies.

"If democracy is to be developed in Hong Kong, the electoral college method is a very poor one," he said.

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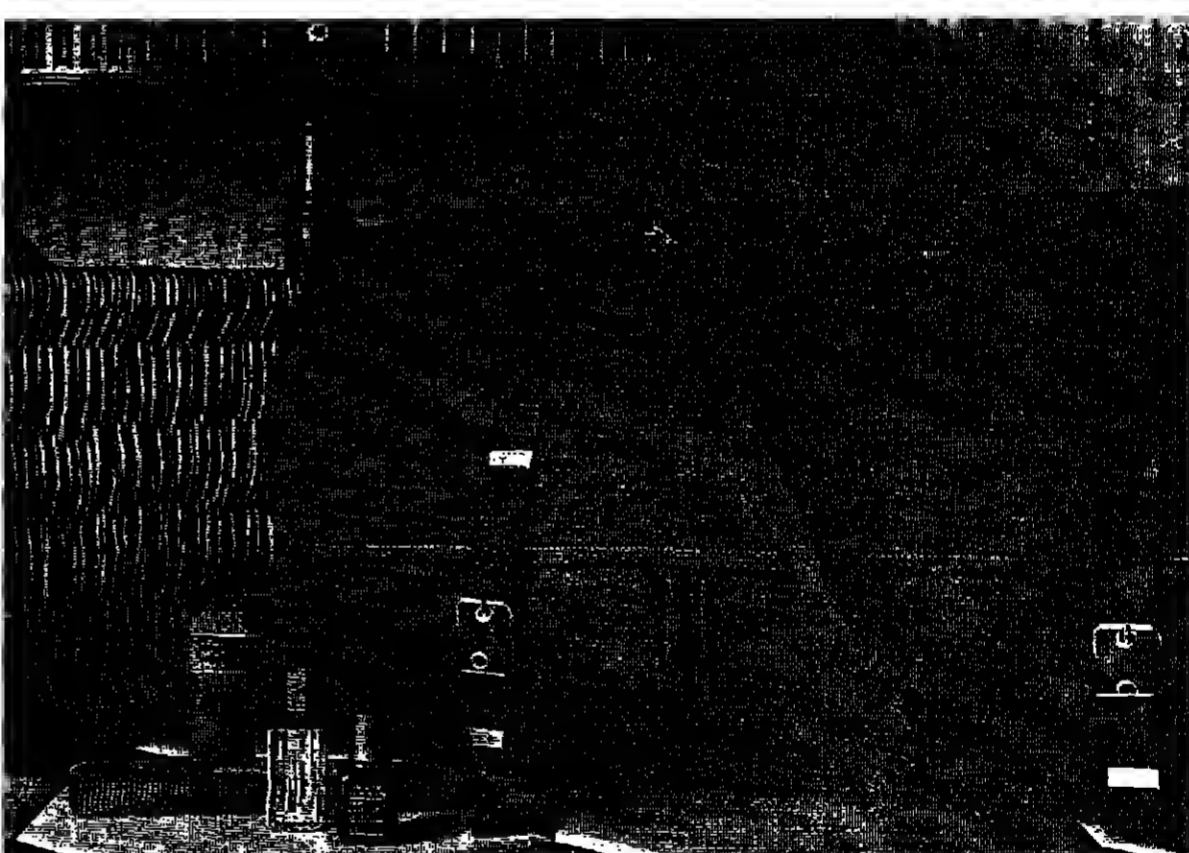
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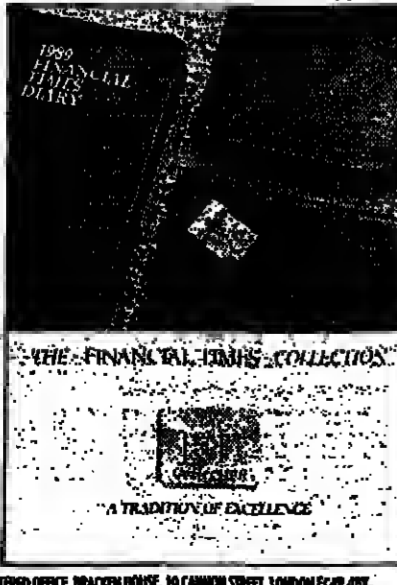
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UK NEWS

# Private sector to bid for school exam contracts

By David Thomas, Education Correspondent

MANY ORGANISATIONS, including commercial publishers and the examining groups, are expected to bid to supply nationwide tests for schoolchildren being introduced as part of the Government's educational reforms.

Tests will be given to all schoolchildren aged seven, 11 and 14 in England and Wales. That might mean the publication of hundreds of thousands of tests, representing potentially one of the biggest educational publishing contracts for years.

Mr Philip Halsey, chairman of the new Schools Examinations and Assessment Council, said yesterday that he expected to issue the first invitations to tender within three weeks.

The initial contracts will be to develop tests for seven-year-olds in maths and science, and probably also in English. The first mass tests of seven-year-olds will take place in 1991, as the first stage in the Government's continuing programme of introducing the tests.

Mr Halsey, who was speaking to a conference of the GCSE examining groups in Birmingham, said the expected educational publishers, university research groups and the GCSE examining groups to be among those tendering for the tests.

Such organisations might form consortia to tender. He hoped that decisions would be made by the end of the year, but it was likely that contracts for the initial work would be awarded to more than one body.

Failure by the examining groups to win a substantial contract would be widely seen as a reflection of the Government's displeasure at administrative errors during this year's GCSE exam.

The precise size and value of the testing work will depend on issues yet to be decided, such as the balance between written and oral tests.

However, Mr John Davies, director of the Educational Publishing Council, said yesterday that it was bound to be large. He knew of several commercial educational publishers interested in tendering.

Mr Tom Hardy, a senior editor with Macmillan's educational arm, confirmed that Macmillan would be tendering, possibly in conjunction with another publisher.

# Gibraltar 'witness' to SAS action admits lies

A 20-YEAR-OLD bank clerk admitted yesterday that he made up a claim that an SAS soldier repeatedly shot an IRA terrorist in Gibraltar while standing with his foot on his throat.

Mr Kenneth Asquez claimed he did it because he was paid by a retired army major who wanted him to appear on the controversial Thames TV programme *Death on the Rock*.

"I did it to get him off my back," he said.

The TV documentary angered the Government - Mrs Thatcher handed it as a trial by television.

Another witness from *Death on the Rock*, Mrs Carmen Proetta, said she was uncertain now over who shot the two terrorists she claimed she saw killed with their hands raised as if to surrender.

She was being questioned by Mr John Laws, representing the British Government, about the shooting of Miss Mairead Farrell and Mr Danny McCann.

He asked her: "There is real uncertainty in your mind as to who shot these two?"

Mrs Proetta replied: "Yes, sir."

Earlier, she described seeing four men with guns in their hands - and Miss Farrell and Mr McCann walking on a pavement.

She claimed both terrorists stopped walking and raised their hands - and held her own hands at head height, palms forward, to demonstrate.

Almost immediately, both were shot, she said.

The evidence came on the 14th day of the inquest into the deaths of Miss Farrell, Mr McCann and Mr Sean Savage.

Yesterday Mr Asquez denied being an unidentified man in *Death on the Rock* who said he saw a man standing over the body with his foot on the chest and firing into the body.

But he admitted writing and signing a statement to that effect under pressure from retired Major Bob Randall.

He was informed that the TV people were willing to pay but was not told how much.

Mr Asquez told the coroner he was confused, ill and under pressure when he made it.

Mr Asquez refused to accept suggestions from lawyer Mr Paddy McGorry, for the dead terrorists' families, that he hinted out the truth at first but tried to get out of what he said when he realised the consequences.

He agreed that making up the lying statement was a "terrible thing" to do, and he was "ashamed."

# Pressure grows for offshore safety changes

By Max Wilkinson, Resources Editor

AS THE floating oil rig Ocean Odyssey was moved away from a blazing gas well in the North Sea yesterday, the Government came under increased pressure to change the offshore safety regime.

However, Mr Cecil Parkinson, the Energy Secretary, rejected a call to transfer the overseeing of North Sea safety from his department to the Health and Safety Executive, and said there was no evidence that oil companies were skimping on safety precautions.

The transfer of responsibility was proposed by Mr John Prescott, Labour's energy spokesman, who said he was concerned about North Sea safety precautions.

Mr Roger Lyons, assistant general secretary of the Manufacturing Science and Finance Union, claimed yesterday that rig workers were afraid to report gas leaks because they ran the risk of victimisation by the oil companies. He said safety regulations were also very loose, with only a voluntary arrangement between the

oil companies and the Department of Energy.

However, Mr Parkinson said Mr Lyons was "incredibly irresponsible" to claim that 66 of the 67 workers on Ocean Odyssey escaped only by luck. He said that well tested safety procedures had worked well.

At the exploratory well 130 miles east of Aberdeen, controlled explosions were yesterday used to sever mooring chains to allow the rig to swing clear of the fire still burning on the sea's surface.

The rig, said to be little damaged, was then heaved down to allow a search for the man still missing after Thursday's explosion.

# Few lessons to learn from sad coincidence

Max Wilkinson reflects on a summer that has seen three serious gas explosions

THE GAS explosion on the semi-submersible drilling rig Ocean Odyssey on Thursday could hardly have happened at a worse time for the oil industry - just as publicity about the Piper Alpha disaster was becoming more subdued.

Thursday's accident, after which one man is missing, probably killed, increased the stridency of calls from trade unionists and the Labour Party for changes in the safety regime for North Sea fields.

The oil companies' claims that their safety procedures are excellent must be measured against a series of events this summer that shows they are not infallible. Three separate gas explosions have occurred in 10 weeks, the first on Shell's Brent Alpha platform on July 17. By a remarkable coincidence, a similar explosion happened the next day on Occidental's Piper Alpha, creating a fireball that killed 167 men.

The Ocean Odyssey accident was superficially similar, to the extent that it involved a gas explosion at sea. All the accidents illustrate the possibility of a large-scale loss of life.

Trade union campaigners will doubtless seize upon that as evidence that oil companies are hazarding men's lives in the interest of profit, and that will be an important question before the full public inquiry into the Piper Alpha disaster next year.

Meanwhile, the differences rather than the similarities between the three incidents are suggestive. In the case of Brent Alpha, no one was hurt,



Ocean Odyssey being drenched with water by a fire-fighting ship

partly as a matter of luck, but mainly because the stringent safety systems common to all offshore operations were effective.

An operator near the gas compressor unit detected a leak and went to report it to the control room. That may have saved his life because the explosion happened while he was away from his post and automatic shutdown systems prevented the fire from spreading.

Although the technical inquiry into the Piper Alpha disaster has not been made public, it is fairly well known in the industry what happened. A serious but not catastrophic explosion in the compressor section created a fire and the crew was told to assemble in the accommodation section

wearing survival suits. They waited for some time, about 30 minutes, before a gas pipe rising into the platform ruptured to create an inferno of flame and the disintegration of the structure.

It is an especially sad coincidence that the gas explosion on Ocean Odyssey occurred just as cranes were being prepared to recover from the scabbled section in which many Piper Alpha victims were entombed.

However, in oil industry terms there are few similarities. Ocean Odyssey is a modern floating platform engaged in the varied tasks of exploration, very different from the strict routines of a 10-year-old production platform.

Since exploratory drilling is probing into the unknown,

safety depends at least as much on the skill and judgment of the crew, including engineers and geologists, as on routine precautions. The main danger the oil industry has faced ever since it started in the last century is that a drill bit will pierce a pocket of high-pressure gas or oil which will gush up in a "blow-out," perhaps catching fire.

In a modern offshore installation, a complex series of precautions is taken to prevent that. A specially prepared mud is pumped at high pressure down the drilling pipe, which flows down through the centre of the pipe then back up the outside to the surface. Drilling engineers can vary the weight and pressure of mud to counteract any tendency for a gas pocket to blow to the surface.

On the Odyssey, the crew appears to have increased the mud pressure to a very high level before moving to the second line of defence, which is to activate a blow-out preventer.

That consists of a series of special valves, some on the seabed, which can shut off the well in an emergency.

At Aberdeen, the US oil company which was operating the rig, said yesterday that the preventer system was activated, but it was not yet sure to what stage. However, even after that precaution was taken gas continued to bubble to the surface, either from the preventer installation or perhaps from beneath it.

It was at that stage that the decision was taken to abandon the rig in what appears to have been a successful evacuation, with one sad exception. Whether it was luck or good judgment that enabled all but one of the crew to escape unharmed, it is fairly clear that the rest of the North Sea safety operations functioned successfully. Helicopters and support ships were on hand on the scene combing the area for the missing man.

The still unanswered question is what combination of human and mechanical error created the need to abandon ship. It seems unlikely that the answer will throw much light on accidents in fixed platforms or vice versa.

Nevertheless, after a relatively good safety record in the North Sea, oil companies will need a long time to live down the strange coincidence of three gas explosions in one summer.

# Unity Trust bid for Girobank rejected

By David Barchard

THE POST Office has rejected a bid from Unity Trust, the small trade union bank, to buy Girobank, its banking subsidiary, which is being sold to the private sector.

Bids for Girobank had to be submitted by August 26. Schroders, the London merchant bank handling the sale for the Post Office, has now drawn up a short-list, believed to consist of six names.

Their identity is being guarded with unusual strictness and Schroders is understood to have warned the six that any bidder making public information about the contest for Girobank will be dropped from the running.

The decision to reject Unity Trust's bid was attacked yesterday by Mr Ernie Dudley, assistant secretary-general of the Union of Communication Workers, the members of which staff Post Office counters, the high street outlet of Girobank.

He said that Unity Trust's bid had been "above the market value of Girobank as indicated by its recently published accounts" and that it had met

all the Government's specifications.

Mr Dudley said: "Unity Trust is a UK-based bank and is jointly financed by the Co-operative Bank and trade unions, and would have been an employer with a social conscience." The union could have worked to ensure fair treatment of Girobank's 6,000 staff and the continued links with Post Office counters.

He added that the union feared that Girobank might now be sold to a foreign bidder.

There was also a suspicion that the Government might have rejected Unity Trust partly because it was a bank owned by the trade union movement.

The Government is not expected to announce its decision on the sale of Girobank until early November. Of the leading UK banks, only the Bank of Scotland is believed to have submitted a bid.

TSB said recently that it had not put in a bid, apparently because of the Government's wish that the sale should encourage greater competition in high street banking.

# Porsche profits recover sharply to £5m

By John Griffiths

PORSCHE Cars (GB) has made a sharp financial recovery after its steep fall in UK sales last year. Unit sales are also reviving, but at a much slower pace.

The company became a wholly-owned subsidiary of the Stuttgart-based sports car concern early in 1987. It had its third-highest pre-tax profit, of just over £5m, in its financial year ending July 31.

Turnover, which Porsche had expected to be £81m, proved to be £88m. The result compares with a £62,959 pre-tax profit on a turnover of £74m in the previous year.

Statistics from the Society of Motor Manufacturers and Traders show that Porsche's

unit sales for the first eight months of this calendar year, at 2,426, were 11 per cent higher than in the equivalent 1987 period.

However, they are still running well below the levels of Porsche's peak sales year of 1986, when 3,705 units were sold. Last year's total of 2,793 represented a 24.6 per cent decline on 1986.

In the opening stages of last year, sales were running nearly 40 per cent down on a year-on-year basis.

This year's sales increase is in spite of the gradual disappearance from showrooms of the 924, Porsche's cheapest model, production of which

was discontinued at the end of July.

The 924 accounted for only 256 of the first eight months' sales, down from 281 last year. However, sales of the 944 - which is now Porsche's "entry level" car at £25,000 - have jumped from 888 to 1,014. Sales of the 911 range rose to 872 from 755 in the same period and those of the 928 range to 284 from 253.

One factor helping the recovery is that after two successive years of price increases totalling 20 per cent or more in each year, Porsche increased its prices by only 2 per cent in April. A further increase of 1.5 per cent is planned for revised

specification cars being introduced during the 1989 model year.

At the same time as keeping prices down, it has also fitted items as standard on some cars that were previously expensive extras.

Porsche, which a few years ago spent £11m on an import headquarters at Reading capable of processing 6,000 cars a year, is not predicting any immediate return to rapid growth.

An official said yesterday: "We should sell between 2,800 and 3,000 cars this year. Sales in 1989 will not necessarily be much larger because there will be fewer models in the range."

# Envoys told to abide by proper rules

By Robert Maitland, Diplomatic Correspondent

THE FOREIGN OFFICE yesterday summoned a group of senior diplomats in London to remind them of the rules governing diplomatic privilege after the expulsion from Britain of seven foreign envoys during the past two weeks.

None of the 10 countries represented at the meeting with Mr Timothy Eggar, the Foreign Office Minister responsible for the diplomatic community in London, was involved in the incidents leading to the expulsions of two Cubans and one Vietnamese after firearm offences, three Czechoslovak diplomats for spying and one Tunisian envoy for failing to pay parking fines.

The delegation of envoys was led by Cyprus and did not include the US, the Soviet Union, or any European Community states, except Greece.

At what was described by Mr Eggar as a "constructive and friendly" meeting lasting 90 minutes, the minister appealed to the diplomatic community to respect the rules of diplomatic privilege, including a ban on firearms and the obligation to pay parking fines.

Mr Eggar said: "Everybody is concerned that the activities of a very small minority should not damage the image of the diplomatic corps as a whole. We are all determined to work to overcome any difficulties there have been over the past few days."

"The vast majority of diplomats are extremely well behaved and contribute constructively to good relations between this country and other countries."

"I went out of my way to say we were looking for their help and advice."

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171	155	Barton Group	171	0	3.3	1.5 24.1
215	100	Barton Group Com. Pref.	215	0	6.7	5.8
148	130	Bray Technologies	132	0	5.2	3.9 9.6
114	100	Brenthill Com. Pref.	111	-1	11.0	9.9
287	246	CCL Group Ordinary	285	0	12.3	4.3 4.3
162	124	CCL Group 11% Com. Pref.	162	0	14.7	9.1
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# BR seeks bill on plans worth up to £450m

By Kevin Brown Transport Correspondent

BRITISH RAIL is to table a parliamentary bill in November seeking powers to construct a Channel tunnel terminal at King's Cross to back up the main terminal at Waterloo, as part of a package estimated to cost up to £450m.

King's Cross is one of three sites being considered for a second terminal. The others are White City and Stratford.

BR said its decision to table a bill was not an indication that King's Cross would be selected, although it is seen as the most likely choice.

A private consortium has proposed a fourth site, on the partly derelict Willesden Junction site, but that is regarded as impractical by BR.

BR said it was taking the opportunity of using a single bill to acquire powers for several possible developments in the King's Cross area.

The proposed King's Cross Low Level, which would handle Channel tunnel trains, and some of BR's Thameslink cross-London services.

Division of the existing electric services from King's Cross to Stevenage, Hitchin, Peterborough and Cambridge to operate from the nearby St Pancras terminal.

That proposal, which has already been approved in principle, requires the construction of a link line between St Pancras and the main line from King's Cross, as well as platform and track alterations at St Pancras.

BR said the diversion to St Pancras would allow existing eight-coach trains to be replaced by 12-coach units if there was sufficient demand.

A new ticket hall and links to main-line platforms from King's Cross Underground station. Powers to carry out that work are being sought on behalf of London Regional Transport.

A passenger concourse would be built between King's Cross and St Pancras giving access to existing terminals and King's Cross Low Level.

BR engineers are working on the proposals in the bill, which could be implemented independently of each other.

# Ford poised to decide on European factory site

By Charles Leadbeater, Labour Correspondent

FORD MOTOR Company in Detroit, will make a final decision late next month on whether to build a large engine factory at Bridgend in south Wales, or Valencia, Spain, the company's vice-president of international automotive operations said yesterday.

Mr Allan Gilmour, speaking after delivering a speech to a management conference in London, said the company still had not decided how large the plant would be, the mix of vehicles for which it would produce engines and the markets it might supply.

He implied that the factory, which is scheduled to provide 1,000 jobs, would be a range of Ford cars and vans in the next decade, could supply engines to markets beyond Europe.

Ford's recent decision to relocate a 640m engine components plant from Dundee in

Scotland, to Valencia would not influence the choice of location for the new engine plant, which is likely to cost more than £500m.

Mr Gilmour said the two-week national strike this year by Ford's 32,500 manual workers had not affected the company's approach to investment in the UK.

He told the conference, organised by the National Economic Development Office, that the company was attempting to become a global rather than a multinational producer, by developing production around a set of "common markets" based on interlocking groups of national markets.

Ford also plans to disperse its product development increasingly away from the US and towards national subsidiaries with the greatest expertise in particular models or components.

# Young backs Eureka high-definition TV

By Raymond Snoddy

LORD YOUNG, the Trade and Industry Secretary, yesterday backed the European standard for high-definition television by himself appearing in front of newly-developed cameras to give a speech in a pavilion on the beach at Brighton.

He was attending the public debut at the International Broadcasting Convention of the European system, which has brought together 30 companies, broadcasters and research organisations under the Eureka high-technology programme in a project likely to cost over £100m.

Lord Young said: "The project members have come together to establish a standard which would create a unified market for HDTV within Europe while also being suited for adoption throughout the world." He hoped adoption of an "inappropriate" standard could thus be prevented.

The Eureka standard is based on the belief that the move to high-definition television should avoid making existing television sets and studio equipment obsolete.

High-definition pictures were displayed on television sets the same shape as a cinema screen.

However, nearby at the University of Sussex, the standard regarded by Lord Young as inappropriate was being demonstrated in an exhibition of equipment being made by over 20 companies and organised by Sony, the Japanese electronics company.

Preparations are under way to launch full-scale high-definition broadcasts in Japan by 1990.

Demonstration of the Eureka standard means there will probably be three incompatible standards, including the different US one.

# City ejects PR team in row over £100,000 loss

By Joel Kibazo

THREE EMPLOYEES of Charles Barker, the advertising and public relations group, have been given seven days to leave the City of London Corporation offices where they are on secondment.

The move follows months of arguments about who should bear the brunt of a £100,000 loss that arose when the corporation staged a Jacobean pageant for the Independent Television charity Teletthon last May.

The pageant raised £200,000 from sponsorship but cost £200,000 to stage. It was that shortfall that led to the wrangle.

The corporation's decision to

remove the three executives was passed on Wednesday night by its policy and resources committee.

The three - Mr Richard Walker-Arnott, the account director, Ms Louise Richards, chief public relations officer, and her deputy, Mr Paul Veslo - are part of a team of 15 running the corporation's £300,000 public relations and information account.

Mr Michael Friedman, chief executive of Charles Barker City, said: "I am disappointed that the corporation should react in this way, particularly bearing in mind the high quality of the work we have done for them."

# Interbrand purchases US design company for £5m

By Alice Rawsthorn

THE INTERBRAND Group, one of the world's largest brand name developers, has become the latest UK marketing services group to venture into the US design industry by buying the Benchmark design company for \$8m (£5m).

Benchmark specialises in packaging and corporate identity design projects. It has worked already with Interbrand's name development company in the US on projects for Procter & Gamble, the consumer products group.

Interbrand, which has established an international network of name development companies, sees the Benchmark acquisition as the first

step in the formation of a global network of design consultancies.

Mr John Murphy, Interbrand chairman, said the group had already identified other European acquisition opportunities. It plans to go public next summer to raise capital for future expansion.

Interbrand "was always aware that the really big opportunity would be in the US," where it made half of its \$4.5m sales last year, he said.

Benchmark, which has offices in Connecticut and Ohio, has annual sales of \$3.6m. Once the acquisition is completed it will be renamed Interbrand Design.

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UK NEWS

# Labour calls for inquiry into jobless figures

By Charles Hodgson

THE LABOUR Party yesterday produced a detailed analysis claiming that the growth in new jobs had failed to match cuts in the jobless register, and called for an independent inquiry into government unemployment figures.

Mr Michael Meacher, Shadow Employment Secretary, told a press conference that he would be calling for an early statement by Mr Norman Fowler, Employment Secretary, on the "sheer fraudulence" of the government figures.

Meacher suggested that the Commons Select Committee on Employment might be urged to carry out its own investigation.

Labour's analysis, which is based on Department of Employment statistics, shows that the number of people who have disappeared from the unemployment register in the past two years is 30 per cent higher than the number of jobs, including Government-backed training schemes, created during that time.

Taking the period from March 1986 to March 1988, the latest available date for statistics, the number of men and women registered as unemployed fell by 724,788, while the number of jobs created rose by 523,000.

During the same period, half a million men had "simply disappeared" from the unemployment register.

appeared" from the unemployment register with new jobs, including schemes, being created for fewer than one in 10.

The rest had fallen into a "black hole," with some working in the black economy, while others were forced to sell property or "scrounge" to survive.

The additional jobs that were created were all part-time, Labour claims. Full-time employment for men fell by 52,000, while part-time jobs rose by 98,000.

The growth in jobs for women is faster than the cut in registered female unemployment, but part-time jobs outstripped full-time work by a third.

Labour's figures ignore the increase in self-employment, which the Government argues makes up for the discrepancy. Mr Meacher rejected that argument, claiming that the official self-employment figure was a "guesstimate informed by wishful thinking."

Labour has long argued that changes in the method and eligibility for claiming unemployment and other benefits has artificially cut the jobless figure. It also produced a regional employment breakdown, which shows that more people were taken off the unemployment register than jobs were created in nine out of the 11 UK regions.

# London's fares to rise 12.4% in January

By Kevin Brown, Transport Correspondent

FARES ON London's bus, Underground and light railway services will rise by an average of 12.4 per cent in January, it was announced yesterday.

London Regional Transport, the state-owned holding company, said the increase, which is above the rate of inflation, is needed to help to finance investment in capacity, particularly on the Underground network.

LET is planning to spend up to £1.5bn on the Underground over the next five years to manage a forecast 10 per cent increase in demand. The system is already carrying record numbers of passengers.

Mr David Bayliss, LET's director of planning, said the company had improved efficiency significantly in the four years since control of London's transport was removed from the former Greater London Council.

However, he added that "in the next few years even more needs to be spent on expanding the capacity of the Underground in particular, to ensure that the record numbers of passengers now travelling do so in less crowded conditions."

# Nervous Ashdown faces the spotlight

As the SLD gathers in Blackpool, Michael Cassell outlines the task facing its leader

MR PADDY Ashdown, the runaway victor in the summer contest for the leadership of the Social and Liberal Democrats, is said to be facing the next six days with considerable trepidation. His nervousness will almost certainly be shared by party members arriving in Blackpool today for the SLD's first annual conference.

For not only must Mr Ashdown demonstrate decisively that he is a great deal more than the dashing lightweight portrayed by his critics, his party also has to show, after a year of post-Alliance infighting and recrimination, that it can sink old Liberal or Democrat allegiances and unite to reclaim some measure of political legitimacy.

The message from Blackpool, if Mr Ashdown gets his way, is that the centre ground has, as the public demanded, finally got its act together with the creation of one party, under one leader and with one policy-making machinery.

Unlike the Owenite SDP, the Democrats never doubted that they would stay in business after last year's general election showing and the split-up of the Alliance. In almost every respect, they still represent a higher, potentially more influential, player on the British political stage.

The party is larger both in terms of members - now run-

ning at around twice the 30,000 figure claimed by the SDP - and in parliamentary representation, with 19 MPs to Dr Owen's three. While the SLD sees Mr Ashdown as offering the best prospects for a speedy political rehabilitation, his unexpected demise would not create a leadership crisis of the dimensions likely to confront an SDP separated from its principal apostle.

Mr Ashdown, along with his colleagues, is in no doubt, however, about the scale of the task ahead. There is little comfort for the party in a single-figure poll standing which, although healthier than that of the SDP, relegates it to the status of a fringe participant in the present political game.

One of the new leader's primary tasks in the next few days will be to stamp his own style on his party and to offer it a fresh vision on which it can rebuild its popularity. That vision includes greater internationalism, making environmental considerations an integral part of all policy, and the development of the concept of a citizen's entitlement to basic services, whether provided by the state or the private sector.

With so much to tackle and so little time in which to capture the voters' imagination, Mr Ashdown does not intend to spend time worrying about the fate of old political partners or indulging in fresh initiatives



Paddy Ashdown: Must put his stamp on the party

intended to mobilise an anti-Thatcher realignment.

The plan is to replace Labour as the principal party of opposition and then to take on the Tories. Talk of balanced parliaments, pacts and coalitions will not be the language of a man who now sits, more than a little in awe, behind Asquith's desk at Westminster.

His unequivocal stand has not, however, prevented Mr David Alton, the former Liberal chief whip, from pursuing moves to forge further links with the SDP. A meeting

between him and Mr John Cartwright, the SDP president, will take place at Blackpool this week, when the strength of any grassroots support for his alternative strategy might become clearer.

Mr Alton's recent attempts to show that co-operation with the SDP is essential have not been well received in an uncompromising Ashdown camp. Although the leadership views will not prevail, it is annoyed at the distraction.

One Ashdown supporter suggested wryly that Mr Alton's conference fringe meeting, entitled The Eclipse of Reason, has been entitled appropriately, although the actual subject for discussion is abortion.

Mr Ashdown has other similar distractions to face next week, one of which will arise on Monday when the party, in another fit of navel-gazing, will decide on a short name by which to call itself.

Although the official name stands unchallenged, the search for a "shorthand" description already threatens a symbolic tussle between old, opposing forces. A move to adopt Democrats, apparently the most popular choice, is to be challenged by those seeking regional variations and those who want the choice of Democrats, Liberal Democrats and SLD put to a ballot.

Mr Ashdown says he will be happy to adopt whatever name the membership wants, although the inescapable conclusion is that he would rather not have the debate at all. At least, the unwelcome prospect of amendments being made to a constitution on which the ink is still wet appears to have been put off for another year.

Another key decision, away from the conference hall, will be the selection of parliamentary spokesmen. An announcement is thought to be imminent and most of the interest centres on the future of Mr Alan Beith, who lost the leadership contest to Mr Ashdown.

Mr Beith, who was shaken by the scale of his defeat, was unhappy at Mr Ashdown's reported offer of European spokesman, but the situation seems to have been resolved. Mr Alton says he does not want a post while Mr Jim Wallace is expected to continue as chief whip.

Policy discussions at Blackpool will centre on seven green papers, to be subsequently refined and adopted as party policy. Some important issues, such as taxation and benefits, will not be discussed at all until next year.

Above all, the conference seems to be a critical test of the party's determination to pick itself up and rejoin the political race after last year's dramatic collapse.

# Munitions breakthrough offers civil applications

By David White, Defence Correspondent

A TECHNOLOGICAL breakthrough for making better, cheaper and safer munitions has opened up an "Aladdin's cave" of civil applications, according to officials of the Royal Armament Research and Development Establishment (Rarde).

Dr Geoffrey Hooper, a senior scientist at the establishment, which belongs to the Ministry of Defence, said yesterday that discussions with industry were already well advanced. The "nitriding agent" pioneered by Rarde for military explosives and propellants had wide-spread other uses, including pharmaceuticals, where it could simplify some processes, dyes and agro-chemicals.

Dr Hooper said Rarde had demonstrated that the agent could be produced in quantity and economically. Research had been undertaken together with British universities and US laboratories. He was not aware of any work outside the UK and US in this area.

The agent, dinitrogen pentoxide, a dehydrated form of nitric acid, was first isolated in 1890, but its usefulness had not been apparent until now, he said.

In order to reconcile high performance with safety, Rarde was using it to gain additional energy from the rubbery binder used in munitions. Dr Hooper said that would permit high-performance munitions that would be safe even if bullets were fired into them.

the province. He continued: "I want you to see behind the image." The Northern Ireland economy was seeing its best industrial performance for 15 years and had a highly skilled workforce and low labour costs.

Mr King was supporting a business mission sponsored by the Northern Ireland Industrial Development Board.

# Ulster seeks Swedish cash

By Robert Taylor in Stockholm

MR TOM KING, Northern Ireland Secretary, has visited Sweden as part of an effort to encourage Swedish companies to invest in the province through joint ventures and other collaborative deals such as licensing agreements.

He told Swedish businessmen: "The media report every bombing and shooting and this provides a negative picture of

the province. He continued: "I want you to see behind the image." The Northern Ireland economy was seeing its best industrial performance for 15 years and had a highly skilled workforce and low labour costs.

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Saturday September 24 1988

## Bother in the backyard

IN THE RUN UP to the International Monetary Fund meeting in Berlin next week, global trade imbalances and exchange rate management are inevitably at the centre of attention. Yet many of the week's more striking economic statistics were less revealing about the global picture than about growing trade imbalances within the European Community. To suggest that West Germany's trade surplus with the rest of Europe poses a serious threat to the Community would be unduly alarmist. But it does raise awkward questions about economic co-operation and, in particular, the future shape of the European Monetary System.

realigning within the EMS that few are anxious to see. All eyes are now on France, which has firmly rejected the realignment option while arguing that an increase in interest rates would not be justified by domestic economic conditions. Further east the strains on the EMS will inevitably increase as capital controls are progressively removed. This will increase the risk of currency volatility. A wider challenge, meantime, lies in an increasingly divergent approach towards economic management. The EMS requires a high degree of convergence in economic policy if the monetary mechanism is to hold together. In part, the problem is one of differential growth rates. While the official forecast for growth this year in West Germany has been raised to 3 per cent, the underlying growth in Britain, to take the most obvious case, is probably still running at around 4 1/2 per cent; UK domestic demand is expanding faster still. Next Tuesday's trade figures may give some indication of the seriousness of the resulting deterioration on the current account.

### Single market

This week, however, it was France's turn to face the waves. The visible trade deficit in August came out at FFf 9bn, equivalent to £846m. As with the July deficit in Britain there must be a question mark over a single month's figures. But there is no doubt about the trend. With the US cutting back its deficit, the West Germans are shifting the composition of their own surplus towards their own backyard. And the pressure on their trading partners is likely to increase as the US adjusts and the Japanese divert exports to Europe.

As Europe moves closer to the completion of the single market in 1992, the monetary pressures could either precipitate a retreat back to floating and, by implication, away from the European ideal, or they could generate the political will for a reinforced fixed rate system of some kind which would pave the way for closer monetary union. The vision of Europe expounded by the British Prime Minister in Bruges this week would certainly be compatible with the first outcome. But there is no sign that she is any more ready to concede sovereignty by throwing in her lot with the EMS.

### Investment boom

That is not to say that the West German surplus, which topped £22bn in the first seven months of the year, is uniformly problematic. It partly reflects a surge in exports of capital goods, and partly an investment boom in the rest of the Community. But only partly: in Britain's case the deficit on consumer goods made most of the running in the first half of 1988 and relatively little of the deterioration in manufacturing - *pace* Mr Nigel Lawson - was attributable to capital goods imports. The deficit countries now face a difficult choice. Either they have to tighten policy to facilitate the financing of the trade deficit and bring it back under control. Or they can devalue, which for countries other than Britain means a

The irony here is that she has already largely ceded control of UK domestic monetary policy to the currency markets, which have forced her Chancellor to put on the brakes. That in turn makes her wary of the European ideal, or they could generate the political will for a reinforced fixed rate system of some kind which would pave the way for closer monetary union. The vision of Europe expounded by the British Prime Minister in Bruges this week would certainly be compatible with the first outcome. But there is no sign that she is any more ready to concede sovereignty by throwing in her lot with the EMS.

lat is Italy's biggest and most successful multinational corporation, a diversified company which in recent years has been turning out record profits with a kind of metronomic regularity. The Turin group's position as Europe's leading car maker and as a beacon for the rest of Italian industry to look up to has made it an integral part of the economic phenomenon that many observers have summed as the emergence of a "New Italy".

But the size and reach of the Agnelli group, going well beyond Fiat's nearby Milan of ancient times, workforce of 270,000 and interests in 50 countries, has been causing increasing disquiet among senior political leaders in Rome and other businessmen.

The Agnelli group's horizontal expansion has taken it (often indirectly) into newspaper and magazine publishing, insurance, banking, unit trusts, chemicals companies, textiles, munitions and missile technology companies, mineral water and beer, shopping centres in America, Biscotti books, department stores, advertising agencies, cement, telecommunications, machine tools and much more. Mr Agnelli enjoys sovereignty, through both direct and indirect control of companies, over close to a quarter of the entire capitalisation of the Italian stock exchange. He also has effective control of two out of Italy's three most important daily newspapers (La Stampa and the Corriere della Sera) and is in many ways a kind of unelected politician, whose pronouncements on issues of government policy tend to have enormous impact in Rome.

This ability to make an impact on almost any area of finance or industry is known in Italy as *struttorie*, or "all-encompassing power". The wielding of it by Fiat has led to charges of "arrogance" by politicians of all persuasions and there has been extensive talk about the need for anti-trust legislation to contain the Agnelli group's horizontal expansion.

This debate has at times erupted into a national controversy, especially when the determined Mr Cesare Romiti, the Fiat group's square-jawed chief executive, goes on the warpath and fires one of his verbal Exocets at Rome as he did a year ago when he

attacked what he described as "anti-capitalist vomit" coming from the Marxist left and the Catholic right. For a nation that proudly proclaims itself to be the world's "fifth largest economy" and with millions of first-time small investors having jumped into the equity market in recent years, the idea of a wave of "anti-capitalist vomit" seemed rather odd. But Mr Romiti is not a man known for his understatement and indeed there are several close associates and friends of Mr Agnelli's who say in private that the managing director's tough-as-nails approach may no longer be in Fiat's best overall interest.

Fiat's excellence as a corporate performer is not being doubted by anyone. The group's dramatic turnaround in the 1980s is a textbook example for



Gianni Agnelli: National father figure

# The first family of Italy

Alan Friedman reports on the power wielded by Gianni Agnelli, chairman of the Fiat empire

other Italian companies to follow. Indeed, in the car sector, thanks to its takeover of Alfa Romeo in 1986, Fiat has edged out Volkswagen to become Europe's leading automobile company, with more than 15 per cent of the entire European market. At home Fiat has a commanding 60 per cent of the domestic car market, making it the virtual monopoly domestic manufacturer. The average in other industrialised nations tends to be 25 to 30 per cent for leading producers in their home markets.

But the deal by which Fiat succeeded in taking over Alfa Romeo, pipping the Ford Motor Company at the post in 1986, is not without controversy itself and is still the subject of an EC investigation. Brussels is looking into charges that Fiat received preferential financial treatment from the Italian government in the takeover.

Fiat is generally able to ride out any hint of impropriety in Italy precisely because the company is more than just a car maker and Gianni Agnelli is more than just an industrialist. It is not always appreciated by non-Italians that he is the single most powerful individual in a nation with 57m people and an economy the size of Britain's. No other Western democracy has such a figure, a man whose influence spans industry, finance, politics, the press, culture and society. In addition to being the effective proprietor of two of Italy's three lead-

ing newspapers, Fiat, as a group, is the nation's biggest advertiser. Even in newspapers not controlled by Mr Agnelli there is hardly ever a trace of criticism of the Fiat chairman, who is known universally (and deferentially) as *L'Assoziano* or *The Lawyer*.

His views are sought by the Italian media on issues ranging from US-Soviet relations to the latest fashion trend, to the performance of his Juventus football club or that of the national government in Rome. His role as an unelected politician of enormous influence is illustrated by the fact that when he criticises Rome, newspapers splash headlines such as "Agnelli Gives the Government Firing Grades".

Earlier this year, Mr Agnelli's initial words of encouragement for the new government of Prime Minister Ciriaco De Mita were deemed front-page news. That a few sentences uttered by a car maker should constitute national news as a "peace offensive" to Rome could be the case only in Italy.

Things were not always this way. As recently as 10 years ago Fiat was facing its worst crisis ever. But Mr Agnelli, in what many see as his wisest move, decided that he and his brother Umberto, regardless of their qualities as "ambassadors" for the family business, would be better advised to leave day-to-day management to professionals such as Mr Romiti or Mr Vittorio Ghidella, the

brilliant head of Fiat Auto who fathered the best-selling Fiat Uno model.

Criticism of Mr Agnelli is thus a difficult prospect in Italy where he and Fiat are more than just an industrial group, but a cultural force and a sociological phenomenon.

For more than two decades now the Fiat publicity machine has worked to establish the public face of Gianni Agnelli - the former playboy, the world-class sportsman, the captain of industry, the friend of the Kennedys, the Rockefeller and of Henry Kissinger, the jet-setting charmer, the elegant dresser.

And when controversy hits Fiat, Mr Agnelli always seems somehow above the fray, as though he were watching events from a distant hill. It is often said that while "Romiti deals out the blows, Agnelli applies the caress." This double-act has been honed to near perfection. But this dazzling image masks other aspects of the Fiat story. Two years ago I began working on a book which was to have been about the "New Italy" and the remarkable growth of Italian capitalism. But the more I dug the more I realised that just beneath the surface of this journalistically appealing idea lies a rather older and more feudal network of power, with Gianni Agnelli at the top of the pile. One of the consequences, say critics in Italy, is that the near monopoly role in corporate

finance enjoyed by Mediobanca, Fiat's merchant bank ally, may have an inhibiting effect on the emergence of other Italian entrepreneurs. There is also the more fundamental issue of how to keep track of all the activities of such a disparate empire. Research for the book led, for example, to the discovery that a Fiat group company chaired not by Mr Agnelli, but Mr Romiti, was found by an Italian government investigation not to have complied with the terms of the Missile Technology Control Regime (MTCR), a sensitive seven-nation accord that is designed to prevent the catastrophic marriage of ballistic missile technologies such as guidance and propulsion systems and nuclear or chemical warheads.

The Fiat company, SNIA-BPD, was hit by US Government sanctions last winter after the Rome Government admitted to Washington that it was in line with the MTCR. The evidence refers to the alleged sale by SNIA-BPD of missile technologies to Argentina, and the belief by Washington that these technologies were used by Buenos Aires in the "Condor-2", a nuclear-capable ballistic missile project. The other company said to have supplied missile technology was Messerschmitt-Bowlow-Blohm.

The US and Soviet Union will on Monday hold high level talks in Washington to discuss the Argentine-Egyptian missile, as well as the proliferation of other systems capable of delivering nuclear weapons.

In the SNIA case it can be argued - as Fiat does - that not having these companies fully consolidated into the Fiat group balance sheet at the time of the alleged dealings mitigates responsibility for the activities, although Mr Romiti was chairman of SNIA during the period in which the company is alleged to have been out of line with the missile technology accord and Fiat already had effective control of SNIA.

More broadly I came across the behind-the-scenes story of how the network of financial and industrial power was built up by one of Mr Agnelli's closest confidants, or advisers. His name is Enrico Cuccia, and he is the obsessively secretive former head of Mediobanca, the Milan merchant bank that controls a spider's web of cross-holdings which allow Agnelli and his allies in the Italian business world to keep many share dealings and corporate deals "in the family".

There is, therefore, a larger context in which to view the financial and

**It is often said that while 'Romiti deals out the blows, Agnelli applies the caress.' This double-act has been honed to near perfection**

political power of Mr Agnelli and his friends. The Italian economy has certainly seen the emergence of several new entrepreneurs in recent years. But Italy needs more than just the handful of well-known newcomers such as Carlo De Benedetti, Silvio Berlusconi, Eraldo Geronzi or Luciano Benetton.

Gianni Agnelli's life is surely a remarkable odyssey. The Fiat story is admirable on many counts. But Italy will have to resolve the issues raised by such *struttorie* if it is to achieve its own proclaimed goal of modernising and democratising its political and financial systems. *Agnelli and the network of Italian Power*, by Alan Friedman, Harrop £12.95

## MAN IN THE NEWS

Crown Prince Akihito

# Marine biologist with a mind of his own

By Ian Rodger



throne, push the imperial household in the direction many Japanese institutions are taking these days - towards more openness and informality. The most important of these indications was his marriage. In 1988, Akihito fell in love with Miss Michiko Shoda, the daughter of the president of Nissin Flour Mills. After a brief but tense struggle with the advisers to the imperial household, he won their approval to break the long-established tradition that a prince should marry only within court circles. The courtship that began on the tennis courts of Karuzawa, the traditional summer retreat of Japan's establishment, the secret battles against the tradi-

tionists in the Imperial Council and the wedding itself were fairy-tale stories that filled the newspapers for weeks. But once the wedding was over, the Crown Prince and his beautiful and accomplished Princess retreated into a discreet silence. Crown Prince Akihito and Princess Michiko went on to break other royal traditions, insisting on raising their children at home rather than have them brought up by servants and chamberlains, and sending their two sons to university in England. Prince Aya, their second son, is now at Oxford. Prince Hiro, their first, was there between 1983 and 1985. But apart from these indications of individuality, the Crown Prince and Princess

have stuck to their assumed roles, making goodwill appearances at home and abroad and waiting patiently and quietly. In Britain, many people are inclined to feel some sympathy for the Prince of Wales because of the long time he is having to wait before ascending the throne. Akihito, who is 54, has been waiting much longer. He was born on December 23 1933 to the immense relief of the Imperial Court. By then, the Emperor and Empress had four daughters, and courtiers were suggesting that the Emperor should take a concubine to ensure the succession. Hirohito refused. In the traditional imperial way, Akihito was immediately separated from his parents for three years, and then educated

at a special peers' school (Gakushuin) in Tokyo, including university level studies in political science and economics. For many years he had a private tutor in English, Elizabeth Gray Vining, a Philadelphia Quaker. Like his father, he studied marine biology seriously, and has written several scholarly papers on various species of fish. He is also known as an accomplished horseman and tennis player and as a natty dresser.

One searches in vain for glimpses of the man through his public statements. For the most part, they are the pronouncements of the official representatives of the state, saying what should be said and very carefully not saying what ought not to be said. He is skilful at it, and has been used by the Government for some sensitive missions.

On visit to the US in October, 1987, he deftly apologised for Prime Minister Yasuhiro Nakasone's slur on America's ethnic minorities of the previous year. Nakasone had implied that educational levels in the US were lower than those in Japan because of lower standards among minority groups. The Prince atoned by saying in a speech in Washington: "Many people have come the US from every corner of the world, have blended together and have shaped today's resilient American society." At the FCCJ party, he declared the club "a great bridge linking Japan to the world."

There was a revealing moment in 1981 when he was asked what days should be preserved as memorials of the Second World War. As expected, he listed the dates of the atomic bombing of Hiroshima and Nagasaki and the date of Japan's surrender. But to the surprise of his listeners, he added the date of the end of the battle of Okinawa. That was the only part of Japan to have suffered a land battle, he pointed out, and the loss of life there was much worse than in Hiroshima and Nagasaki.

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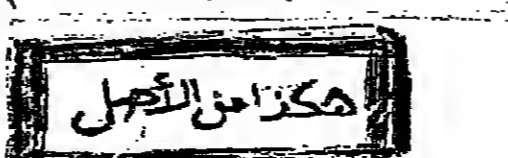
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Mr Robert Barnett is a Washington based lawyer and literary agent to media personalities who loves television. Lately he has been exercising his talent for impersonating the Vice President of the United States.

# Election duel in the television spotlight

hid to win the contest. Mr Barnett, playing the part of Mr Bush in Mr Dukakis's rehearsal, is well practised in the role. When Mrs Geraldine Ferraro was the vice-presidential candidate four years ago, he helped her prepare to debate with Mr Bush too.

reacted against Mr Nixon's shifty-eyed and sweaty appearance. Securing victory in these debates is not that easy any more, although recent debates have had important influence on presidential races.

tions about yourself. In trying to achieve these objectives, both candidates will be aware that it is the intuitive judgments that the viewers come to which will matter on the night and these judgments will be based at least as much on the way the two men conduct themselves as on what they say.

Bush had (still has?) a tendency to flail his arms in a very unprejudicial way. Nevertheless, Mr Bush has to be seen as the man with the edge going into the debates, not least because Mr James Baker, his campaign manager and a veteran of three presidential bids, ran rings around the opposition in the negotiations about whether there would be debates or not.

As the Bush camp wanted, the debates will also take place at the height of the Olympics and during the finale of the baseball season. This will help to keep the audience down during the debates and ensure that viewers have other events to think about after them. All this, as Mr Baker intended, is designed to minimise risk.

longer for each campaign will be to build on what happened and turn the event to their advantage after it is over. Is this any way to pick a President? Curiously, things were not much different in the past. Americans look back nostalgically to the "debates" over slavery in 1854 and 1858 in Illinois between Senator Stephen Douglas and Abraham Lincoln which helped to catapult Lincoln to the presidency in 1860. It is forgotten that they were not debates in the true sense of the word as both men simply gave long speeches one after the other.

At the news broke of Minoro's \$2.5m bid for Consolidated Gold Fields it was inevitable that among the first reactions was the question: Is Harry behind this? Few believe that when Harry Oppenheimer stepped down in 1982 from the chairmanship of the Anglo American Corporation he would simply spend his time cultivating the lush gardens of his Indian Ocean home near Durban, or browsing through his fine collection of African art in a specially built library at Brentthurst, the family seat in Johannesburg.

retired from Anglo in 1982. Julian Ogilvie Thompson, who also started his Anglo career as Harry's PA and now heads De Beers. He became Harry's other chief protégé and took command of the diamond group when Harry retired from the company in 1982. He has two shadows, Nicholas, or Nicky, Oppenheimer, Harry's only son.

# Venerable guardian of a mighty dynasty

### Jim Jones examines the life and style of Harry Oppenheimer

head. Oppenheimer publicly disagreed with his lieutenant. He maintained that the new system was a cut de sac, and that government ignored black aspirations for a say in central government at its peril.

heading what amounts to South Africa's First Family. Oppenheimer today probably sees himself as the consolidator of a dynasty, says one observer. His father launched the empire in the First World War when German possessions in South West Africa were seized and he was able to acquire control of Consolidated Diamond Mines. That gave him the springboard for eventual control of De Beers. He was already establishing his company's position on the fabulously rich East Rand Gold Field.

self has forcefully argued that capitalism is undermining apartheid, and economic growth breaks down racial barriers - not least on Anglo mines. Today, notwithstanding the drama of last week's bid, the Oppenheimer dynasty seems to be in a quiescent mode.



Harry Oppenheimer: head of an empire. Advice on the development of that of Rudolph Agnew, Gold Fields chairman and chief executive; his grandfather ran Gold Fields long ago. Now Rudolph is in charge. The battle with Minoro will have more than a touch of family rivalry.

## LETTERS

### One school science is not enough

From Mr W.M. Lomer. Sir, Of course 13 or 14 year olds are too young to decide their future careers ("The course of specialisation", August 24). If they opt for a single science they opt against not only science and engineering but also against medicine, ecology, agriculture and veterinary careers.

We must hope that the new core curricula will keep the interest of these vulnerable young people by giving renewed attention to applications of the subjects, to enable the students to appreciate them as tools as well as topics of intrinsic interest and educational value.

### Federal rather than central

From Dr Peter Holt. Sir, Mrs Thatcher personifies centralised political power in the UK - and yet paradoxically declares that "a centralised European government would be a nightmare". She is, of course, right on Europe. Her mistake is in not applying the same criticism to the UK.

### Claim for compensation denied

From Mr R.G. Stroud. Sir, For many years your paper has commented on the rights of claimants against the Soviet Union. The following could be of interest.

Britain, Scotland, for instance, is being governed by politicians and policies it has clearly rejected in three general elections. The goal should surely be a Federal Britain in a Federal Europe.

### Rights and expectations in pensions

From Mr R.R. Colbran. Sir, I read Barry Riley's article (September 17) when I was preparing to appear before the Occupational Pensions Board on behalf of the Institute of Actuaries. It is good to discuss how some of its members' pensions expectations might be converted into rights.

at discretion under the arrangements commonly in force. On redundancy, we draw attention to the way in which employees could fail to appreciate the reduction in expected income and could be presented with packages which were only superficially attractive because they included substantial lump sums.

### 'English table tennis has made such dramatic progress

From Mr John Prean. Sir, For more than 30 years I have admired and read your newspaper. As chairman of the English Table Tennis Association I hoped that one day you would write about our sport, which has made such dramatic progress during the last year or two.

However, nothing causes greater resentment than your closing remarks of quite malevolent fiction: players "applying grease to the ball to make it whizz off the bat". The first thing that strikes a newcomer to the game is the high degree of sportsmanship; often, sportsy decisive points are given away when a player has acknowledged a fault the umpire did not spot - which is easy to do, as the game is very fast.

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**PROFILE INFORMATION**



# Cookson wins just 0.8% of Wolstenholme holders

By Clare Pearson

COOKSON GROUP, specialist metals and chemicals company, yesterday suffered a resounding defeat in its £28.5m offer for Wolstenholme. Rink, the much smaller lithographic materials concern, Cookson's bid lapsed, having attracted acceptances from only 0.8 per cent of Wolstenholme shareholders.

Mr Tony Rink, joint managing director of Lancashire-based Wolstenholme, greeted the news with weary relief. "We always thought it was misconceived in terms of commercial logic as well as price, and our shareholders have shown we were right. But we're still left to pick up the bill", he said.

Mr Rink estimated that between them Cookson and Wolstenholme had spent at least £1m in various fees during the bid. "And then there's the management time", he added.

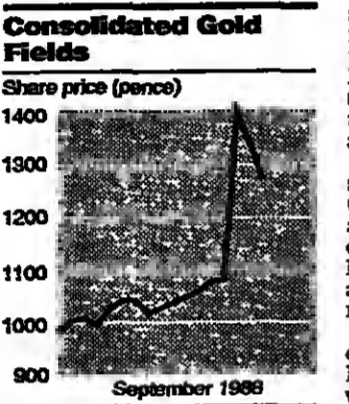
# Gold Fields builds its defence

By Clay Harris

WASSERSTEIN PERELLA, the small but glamorous Wall Street corporate finance firm, yesterday joined the team defending Consolidated Gold Fields, the UK-based mining and aggregates group, from a £2.9bn takeover bid by Minarco, the South African-controlled investment company.

Wasserstein Perella, in which the Japanese securities giant Nomura has a 20 per cent stake, was only one of several new US advisers appointed by Gold Fields.

The others are First Boston, where Mr Bruce Wasserstein and Mr Joe Perella formerly headed the corporate finance team, Shearson Lehman, and the Wall Street law firm Paul, Weiss, Rivkind, Wharton and Garrison. Gold Fields' main adviser is the UK merchant bank, Schroders.



Consolidated Gold Fields Share price (pence) September 1988

# Drop in tourism hits Liberty

By Maggie Urry

A LACK of American tourists at Liberty's up-market Regent Street, London, store was partly to blame for a decline in first half pre-tax profits from £2.2m to £1.4m.

Turnover of the retail, wholesale and converting, and textile printing group, rose 5.8 per cent to £31.2m in the six months to end July.

Also contributing to the decline was the absence this time round of an exceptional £517,000 credit, which was a rate refund received in the comparable half, and larger losses from overseas retailing.

# Whitbread sells Quick to Burger King

By Lisa Wood

WHITBREAD, the brewing and retailing group, is to sell the eight sites of its Quick hamburger restaurants to Burger King, the fast food chain, for around £7m.

GB-Inno, the largest retailing group in Belgium, which formed a joint enterprise in 1985 with Whitbread to develop the chain in Britain will retain the brand name.

Mr Tim Thwaites, chairman of Whitbread Retail division, said: "The pricing and the concept proved popular with consumers."

# Tuskar Res £7m for rest of Arabex

By Ray Bashford

Tuskar Resources, an Irish oil exploration company, is offering £7.4m (£5.3m) for the shares it does not already own in Arabex Petroleum, a listed Australian company.

The bid is £40.25 for every ordinary share and £40.04 for the options. Tuskar has a 16.9 per cent stake in Arabex which has interests in oil concessions in the Middle East and Colombia.

Tuskar yesterday announced the placement of 21.4m shares at 1.5p, compared with a closing price of 16p, which will raise £3.2m. To further fund the bid, a £3.5m facility has been arranged with the investment bank of Ireland, Anglo.

# Panel turns down TRIG complaints against funds

By Nikid Test

THE TAKEOVER Panel, the City's watchdog on mergers and acquisitions, has turned down complaints from TR Industrial and General - the non-specialist investment trust which is facing a £200m bid from the British Coal pension funds - that the bidder should spell out future management intentions for the fund.

In its offer document, the pension funds said that they had "made no decisions regarding the future management of TRIG but would intend to discuss this with TRIG's board and managers once the outcome of the offer is known".

TRIG and its advisers are understood to have argued that this imprecise statement presents difficulties for shareholders, who include 10,000 individuals, weighing up whether to accept or not. BZW, advising the pension funds, however, maintains that the range of possible scenarios makes it difficult to be more specific.

# Miller & Santhouse surges to £1.5m

By Andrew Hill

MILLER & SANTHOUSE, the oilfield services company, which are being acquired by a consortium for further expansion with a deeply discounted two-for-seven rights issue, and is seeking to move from the Unlisted Securities Market to a full listing once the issue is complete.

The group, which launched a £5m rights issue at the same time last year, also announced profits more than doubled to £1.52m before tax in the year to June 30, against £611,000 in 1987-7.

Miller & Santhouse now operates from 65 branches and hopes to have 95 by December 31, compared with about 39 at

# UK COMPANY NEWS

## Whitbread sells Quick to Burger King

WHITBREAD, the brewing and retailing group, is to sell the eight sites of its Quick hamburger restaurants to Burger King, the fast food chain, for around £7m.

## LIG's strategy for consistency

Andrew Hill on a condom maker's formula for further efficiency

THE CONDOM was about three feet long and nine inches wide when it finally burst.

The technical staff at LRC Products' condom and rubber glove factory in Chingford, on the outskirts of London, looked on with pride as the Durex sheath was filled with more than 54 litres of air. The record is 68.6 litres, a comforting 33 litres more than the minimum requirement for this test anywhere in the world.

Reliability, LRC says, is the main reason why Durex has earned a British Standards Institution kitemark and is able to claim a 90 per cent share of the UK condom market. Even the name Durex, coined by the former London Rubber Company in the 1850s, is a mark of the product's qualities of durability and excellence.



Condom manufacture: glass formers are dipped in liquid latex

managed to avoid significant latex problems and over the last three years has built up a special relationship with one rubber plantation in Malaysia in an attempt to guarantee consistency, an essential characteristic when manufacturing a product which is 95 per cent latex and as thin as 50 microns (less than one-fiftieth of an inch). The same approach is now being applied at LIG's seven other condom factories worldwide.

This single supplier provides all the latex for the Chingford condom operation, which produces about 1.2m gross of Durex a year - around 800,000 sheaths a day. Two or three other plantations supply rubber for the surgical, household and industrial gloves also produced at the factory, which has been working non-stop following heavy publicity surrounding the spread of the disease AIDS.

industry around the world is that it's not that sophisticated. Our technology may be Victorian, but it's actually better than anybody else's," he says.

New production lines - taking Chingford's capacity up to 1.5m gross of condoms annually - have been built in-house and automation specialists are working on modernisation of the testing procedure, presently carried out by a host of women, a far cry from the prudish post-war days when LRC's policy was to employ male secretaries only.

Durex packets proclaim emphatically that the contents are "electronically tested": each condom is rolled onto a metal electrode, which is charged up and passed through a bath of electrolyte. The retained electric charge is measured a split-second later. A certain amount of electricity escapes even through faultless sheaths, but if wastage is above a set level, the sheath is rejected.

## Tuskar Res £7m for rest of Arabex

By Ray Bashford

Tuskar Resources, an Irish oil exploration company, is offering £7.4m (£5.3m) for the shares it does not already own in Arabex Petroleum, a listed Australian company.

## Possible offer for Invergordon

By Ray Bashford

GREG MIDDLETON, London stockbroker, confirmed yesterday that it was continuing to advise on the possibility of a takeover for Invergordon Distillers, the Scottish whisky group which may make an offer.

## French limit on Sun Life stake

By Eric Short

UAP INTERNATIONAL, the State-owned French insurance group which is currently concluding a deal on future co-operation with the UK life and financial services company, Sun Life Group yesterday confirmed that it had arranged a "put option" deal with Belfinvest, a subsidiary of Matson Lazard et Compagnie, adviser to UAP, to buy this stake.

## Macallan-Glenlivet lifts first half profit by 32%

By Ray Bashford

MACALLAN-GLENLIVET, Edinburgh-based malt whisky distillers, announced a 32 per cent improvement in pre-tax profits from £67,000 to £87,000 for the six months ended June 30.

## Allied Lyons jumps as 1.7% changes hands

By Lisa Wood

Around 1.7 per cent of the equity of Allied Lyons, the drinks group in which Bond Corporation has a seven per cent stake, changed hands yesterday. The shares closed 96 1/2 p higher at 452 1/2 p.

### LONDON RECENT ISSUES

Issue	Price	Change	Volume	Notes
100	100	0	100	...

### FIXED INTEREST STOCKS

Issue	Price	Change	Volume	Notes
100	100	0	100	...

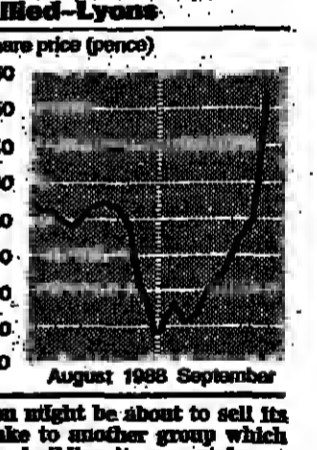
### RIGHTS OFFERS

Issue	Price	Change	Volume	Notes
100	100	0	100	...

### TRADITIONAL OPTIONS

Issue	Price	Change	Volume	Notes
100	100	0	100	...

### Allied Lyons



Allied Lyons Share price (pence) August 1988 - September

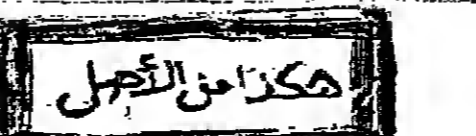
tion might be about to sell its stake to another group which was building its own stake.

### CFS progresses

Comprehensive Financial Services increased its profits from £490,000 to £510,000 pre-tax for the first six months of 1988 and is stepping up its interim dividend from 1.5p to 1.5p.

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Comp. Financials	1.5	-	1.3	-	4.8





FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns: NATIONAL AND REGIONAL MARKETS, THURSDAY SEPTEMBER 22 1988, WEDNESDAY SEPTEMBER 21 1988, DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, and World Index.

ECONOMIC DIARY
Industrial gas market in Britain and Europe...
TUESDAY: Balance of payments current account and overseas...
WEDNESDAY: Personal income and expenditure (second quarter)...

TRADING VOLUME IN MAJOR STOCKS
Table showing trading volume for various stocks including Astra, BHP, British Petroleum, etc.

EUROPEAN OPTIONS EXCHANGE
Table with columns: Series, Vol, Last, Bid, Ask, Stock. Rows include GOLLDC, GOLLDE, GOLLDF, etc.

BASE LENDING RATES
Table with columns: Bank, Rate, %.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Friday September 23 1988, Highs and Lows Index. Rows include CAPITAL GOODS, BUILDING MATERIALS, CONTRACTING, etc.

FIXED INTEREST
Table with columns: PRICE INDICES, Day's Change, etc. Rows include British Government, 5 years, 10 years, etc.

CONSTITUENTS OF THE FT-SE 100 SHARE INDEX
Table listing constituents of the FT-SE 100 share index.

CHOOSE AN FT DIARY TO SUIT YOUR POCKET
It's hardly surprising that the FT Diaries have achieved a worldwide reputation for the highest standards in both quality of presentation and content. After all, no other diary can draw on such an authoritative source as the Financial Times.

Vertical text on the left margin: Allied Lyons, changes as it changes, etc.



INTERNATIONAL COMPANIES AND FINANCE

Skandia in \$557.7m repurchase

By Robert Taylor in Stockholm

SKANDIA, Sweden's leading insurance group, is hiding SKr3.6bn (\$557.7m) to regain full control of the 46 per cent owned Skandia International, which it spun off three years ago.

The move is aimed at strengthening Skandia's position to meet increasing competition among the insurance companies of the European Community in the countdown to the 1992 free internal market, as well as protect the company's Nordic markets.

Mr Bjorn Wolrath, managing director, said: "The financial strength of the new company combined with the skills and expertise of both Skandia Insurance and Skandia International means that we are extremely well equipped for aggressive investments in Europe."

The company sees the proposed merger as an extension of a Nordic strategy begun earlier in the year by a link with Pohjola, Finland's largest insurance company. However, in May Skandia suffered a setback in building a regional grouping when political resistance in Norway blocked its attempted acquisition of a stake in Vesta, that country's second largest life and property insurance company.

Bond gold producer plunges into the red

By Kenneth Gooding, Mining Correspondent

NORTH KALGOORIE Mines, the gold producer controlled by Mr Alan Bond, the Australian entrepreneur, yesterday reported an attributable loss of A\$55.7m (US\$46m) for the year to June compared with A\$17.7m net profit for the previous year, and shareholders will receive no dividend.

NYSE chief blames crash on pension fund dumping

By Barry Riley in Geneva

IT WAS "a miracle" that the US Government had not intervened in the securities markets as a result of the October crash nearly a year ago, Mr John Phelan, chairman of the New York Stock Exchange, told European securities analysts in Geneva yesterday.



John Phelan: "They look for that perfect hedge."

"Much to the credit of Congress and the regulators it was decided that the problems of last October had nothing to do with rule violation," he said. Addressing the congress of the European Federation of Financial Analysts Societies, Mr Phelan described the crash as resulting from the failure of a hedging mechanism used by institutional investors. Many funds had adopted portfolio insurance systems as a way of providing protection against possible market falls.

There had to be an understanding that technology and communication could only do so much. Slowdown provisions would have to be built into stock market systems in the future to provide protection. The NYSE's so-called circuit-breaker, which provides for a 250-point fall in the Dow Jones industrial average, was a means of providing systemic protection.

Hongkong Land 13% ahead at midterm

By Michael Murray in Hong Kong

HONGKONG LAND, one of the colony's biggest landlords and a member of the Jardine Matheson group, increased net profits 13 per cent to HK\$583m (US\$86.7m) for the six months to June.

The results were in line with expectations given that profits for the first half of last year were swollen by bonuses from the Mandarin Oriental hotel group, which was demerged from Hongkong Land in April 1987. Turnover stood at HK\$726m, down from HK\$742m.

HK Land's office and retail portfolio is 98 per cent leased, with space in the new Tower Square development letting for in excess of HK\$50 per square foot per month.

Development profits were the main contributor. Mr Kwok Tak-seng, the chairman, said the group intended to expand its investment portfolio to strengthen its recurrent income base and place equal emphasis on development profits and rental income.

Pacific Dunlop buys Repco for A\$256m

PACIFIC DUNLOP, the Australian manufacturing group, has agreed to buy the Repco auto parts distribution business from Australia.

Repco has 232 parts branches and 110 brake and clutch outlets in Australia and is also a bicycle supplier. Ariadne acquired it in 1986 for some A\$34m and sold off most of its manufacturing side. Ariadne has been conducting a series of asset sales since reporting a A\$60.8m net deficit for the six months to December after heavy stock market losses.

Pacific Dunlop had more than A\$400m cash on hand when it reported this week a 32 per cent lift in net profit to A\$18.9m for the year to June on sales of A\$1.8bn.

Hong Kong affiliate, was hit badly, leading to a writedown of NZ\$151.2m on the Renouf investment in Impala.

Sharp fall at Rinascente

By John Wyles in Rome

RINASCENTE, the department store and supermarket chain controlled by the Fiat Group, has reported a 30 per cent drop in first-half profits to L14.4bn (€10m) from L20.6bn last year.

Forex profits will bolster Saga Petroleum

By Our Financial Staff

SAGA PETROLEUM, Norway's largest independent oil company, says foreign exchange earnings will prevent it from going into the red in 1988.

Two more raise newsprint prices

CANADIAN Forest Products and MacMillan Bloedel, two big increases by the three Canadian groups is almost 7 per cent for the US\$650 a tonne price set last July.

Week in the Markets

GOLD lost some more of its glitter this week, falling below the significant \$400 an ounce level for the first time since February last year.

The fall continued from last week, when the price broke out of the narrow \$425 to \$480 an ounce range - in which it had been trading for most of the year - as oil prices declined, indicating that world inflation was under control.

American Precious Metals Advisors, the US consultancy company, in its weekly report cites nine bearish factors which have brought the gold price down by roughly 20 per cent since its \$500 an ounce peak last September.

Buyer at more than 5m ounces, to stop its short-sellers and bearish speculators. Short-term, the report sees the market remaining vulnerable to further selling pressure, but it expects a rising price trend to be re-established before the end of the year.

WORLD COMMODITIES PRICES

Table with columns: Commodity, Latest price, Change on week ago, Year ago, High 1988, Low 1988. Includes Gold, Silver, Copper, Lead, Nickel, Zinc, Cocoa, Coffee, Sugar, Wheat, Cotton, Wool, Oil.

Table with columns: Commodity, Previous, High/Low, AM Official, Kerb price, Open interest. Includes London Metal Exchange, LME, and various metals.

US MARKETS

THE PRECIOUS METALS ended the week on a down note, reports Druseal Burnham Lamborn, Overseas selling agent along with many local traders tried selling down gold below \$400 dollars.

Mr Neil Budon, of Shearson Lehman Hutton, said the Overseas selling building up on nickel for some time. There had not been any bearish news, he said, just an absence of bullish news to keep the metal above the \$5 a lb level.

"I think we are now getting to sustainable levels," he said, adding that he expects the metal to remain in the \$4.50 to \$5 a lb range for the rest of the year.

However, he did not believe that zinc's fall this week to below \$1,300 a tonne posed any threat to the record European Producer Price of \$1,350 a tonne. The fundamental factors for the zinc market indicated that prices would probably rally, and that this week's prices marked a low point, he suggested.

Meanwhile, traders are keeping a close eye on the two LME aluminium contracts, Wednesday was the last chance for traders to trade the three-month standard (99.5 per cent) aluminium

Chicago

Table with columns: Commodity, Previous, High/Low. Includes Soybeans, Corn, Wheat, and other grains.

Table with columns: Commodity, Previous, High/Low. Includes Soybean Meal, Soybean Oil, and other oilseeds.

Table with columns: Commodity, Previous, High/Low. Includes Cotton, and other fibers.

Table with columns: Commodity, Previous, High/Low. Includes Sugar, and other sweeteners.

Table with columns: Commodity, Previous, High/Low. Includes Orange Juice, and other beverages.

Table with columns: Commodity, Previous, High/Low. Includes Live Cattle, and other livestock.

Table with columns: Commodity, Previous, High/Low. Includes Live Hogs, and other livestock.

Table with columns: Commodity, Previous, High/Low. Includes Live Sheep, and other livestock.

Table with columns: Commodity, Previous, High/Low. Includes Pork Bellies, and other livestock.

Table with columns: Commodity, Latest price, Change on week ago, Year ago, High 1988, Low 1988. Includes SPOT MARKETS, Crude oil, and other energy products.

Table with columns: Commodity, Previous, High/Low, AM Official, Kerb price, Open interest. Includes LONDON METAL EXCHANGE, LME, and various metals.

Table with columns: Commodity, Previous, High/Low, AM Official, Kerb price, Open interest. Includes LONDON METAL EXCHANGE, LME, and various metals.

Table with columns: Commodity, Previous, High/Low. Includes SOYBEANS, and other grains.

Table with columns: Commodity, Previous, High/Low. Includes SOYBEAN MEAL, and other oilseeds.

Table with columns: Commodity, Previous, High/Low. Includes COTTON, and other fibers.

Table with columns: Commodity, Previous, High/Low. Includes SUGAR, and other sweeteners.

Table with columns: Commodity, Previous, High/Low. Includes ORANGE JUICE, and other beverages.

Table with columns: Commodity, Previous, High/Low. Includes LIVE CATTLE, and other livestock.

Table with columns: Commodity, Previous, High/Low. Includes LIVE HOGS, and other livestock.

Table with columns: Commodity, Previous, High/Low. Includes LIVE SHEEP, and other livestock.

Table with columns: Commodity, Previous, High/Low. Includes PORK BELLIES, and other livestock.



WORLD STOCK MARKETS

NEW YORK (3 pm)

Table of New York stock market data including various indices and individual stock prices.

September 23

Table of stock market data for September 23, 1988.

September 23

Table of stock market data for September 23, 1988.

September 23

Table of stock market data for September 23, 1988.

September 23

Table of stock market data for September 23, 1988.

September 23

Table of stock market data for September 23, 1988.

Wall Street

Dow edges higher in quiet trade

TRADING lacked any notable trend on Wall Street yesterday by midsession. Blue chips were slightly up, after early falls on higher-than-expected US August durable goods figures.

Canada

MIXED trading left Toronto a little higher at midsession, with prices buoyed by rising golds and base metals.

The composite index, which had fallen about 4 points in earlier trading, moved ahead 3.7 to 3,256 on light turnover of 9.4m shares.

Onex was the most active stock, slipping 0.5% to C\$12. Among other active shares, Canada Pacific was unchanged at C\$21.4, while American Barrick gained 0.4% to C\$20.4.

Gold prices were mostly higher. Lac Minerals gained 0.3% to C\$11.4, Corona C&M to C\$8.4, and Placer Dome C\$ to C\$14.4.

Among base metal miners, Inco rose 0.2% to C\$33.7. Falconbridge picked up 0.3% to C\$20.4.

North American closing prices were not available for reports in this edition.

CR20 and Cominco was unchanged at C\$18.4. The price of oil fell 21 US cents to \$14.4 a barrel, leaving Canadian energy issues mixed.

Frankfurt

FOREIGN interest in Volkswagen, the carmaker, pulled West Germany off early lows as shares closed mixed in moderately active trade.

The Dow Jones Industrial Average gained 4 to 2,084, after moving in a narrow range between 2,075 and 2,094. Losing stocks outnumbered gainers by about seven to five.

Paris

PROFIT-TAKING ended morning gains and Paris ended only moderately higher.

The nervousness that had followed reports of the August trade data on Thursday subsided a little.

LVMH, the luxury goods group which predicted a 30 per cent increase in profits this year, rose FF40 to FF455.

An extraordinary shareholders' meeting on Thursday approved a new company structure.

Transport group Chargeurs gained FF45 to FF1,340. It reported profits up 30 per cent to FF452m.

Brussels

A SLIGHT easing of Belgian registered and media group which has been the focus of attention, closed BRF50 firmer at BFR6,000 after fluctuating sharply.

Petrofina, the oil group in which Tractebel has a 10 per cent stake, dropped BFR55 to BFR14,000, with 16,980 shares changing hands.

Zurich

MODERATE trading left Swiss shares little changed to lower. Registered shares of Solothurner Handelsbank, the regional bank that on Thursday announced a capital increase to fight an expected takeover attempt, rose SF75 to SF2,650.

Beckers of Georg Fischer, the engineering company, gained SF55 - or 4.5 per cent - to SF1,270. The company said on Thursday it expected an increase in group and parent company profits this year.

Milan

VOLUME was boosted by foreign buying and Italian stocks closed on a buoyant note.

The market was supported by an improvement in official forecasts for 1989 gross domestic product and inflation, and expectations of better first half corporate results.

Stockholm

A ROUND of profit-taking tipped prices off Thursday's record levels, but only slightly. The J&P index lost 8 to 3,116.50 in moderate trading.

Hong Kong

POSITIVE results from Hong Kong Land, the property developer, helped stocks rally slightly after earlier falls to close almost unchanged.

The Hang Seng index slipped 1.46 to 2,454.38 in turnover of HK\$3.11m, down from HK\$3.42m.

Hk Land reported a 13 per cent rise in interim net profit to HK\$53.6m. It closed unchanged at HK\$4.05.

Australia

LOCAL and overseas buying returned and stocks closed higher in positive trading.

The All Ordinaries index rose 0.4 to 1,651.1 in turnover of \$2m shares, up from \$1.5m. Australia Consolidated Resources, which announced a takeover bid for Armada Resources and a restructuring plan, lifted the gold sector, adding 24 cents to AS\$2.80.

Armada rose 13 cents to \$5 cents.

Singapore

AN ABSENCE of buying interest and some stop-loss selling left shares moderately lower in quiet trading.

The Straits Times Industrial index lost 12.16 to 1,043.71 as volume fell to 12.5m shares from 14.1m.

© Tokyo was shut yesterday for the autumn equinox.

CANADA (3 pm)

Table of Canadian stock market data including various indices and individual stock prices.

AUSTRIA

Table of Austrian stock market data.

FRANCE

Table of French stock market data.

GERMANY (continued)

Table of German stock market data.

NETHERLANDS (continued)

Table of Dutch stock market data.

SWEDEN (continued)

Table of Swedish stock market data.

NETHERLANDS

Table of Dutch stock market data.

NETHERLANDS

Table of Dutch stock market data.

FRANCE

Table of French stock market data.

GERMANY

Table of German stock market data.

NETHERLANDS

Table of Dutch stock market data.

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Table of Dutch stock market data.

NETHERLANDS

Table of Dutch stock market data.

NEW YORK DOW JONES

Table of New York Dow Jones index data.

INDICES

Table of various stock market indices.

NEW YORK ACTIVE STOCKS

Table of active New York stock market data.

CANADA

Table of Canadian stock market data.

NEW YORK ACTIVE STOCKS

Table of active New York stock market data.

WORLD

Table of world stock market data.

WORLD

Table of world stock market data.

Base value of all indices are 100 except BRISSELS and DAX - 1,000. J&P Gold - 255.7. JSE - 100.0. S&P 500 - 1,000.0. All currency and money - 100.0. All commodity and metal - 100.0. Toronto index base 1975 and Montreal, Toronto and S&P 500 - 1926.0. All other indices - 1926.0. All other indices - 1926.0.



CURRENCIES AND MONEY

FOREIGN EXCHANGES

French franc loses ground

THE FRENCH franc came under renewed pressure in currency markets yesterday, as investors continued to react to a sharp increase in the August trade deficit.

FFr3.4036 at the fixing. However, the West German unit bounced back to close at FFr3.4067.

While pressure increased on the weaker currencies, most traders do not expect finance ministers to take advantage of the current G7/IMF meeting to alter ECU parity rates.

£ IN NEW YORK

Table showing exchange rates for £ in New York, including columns for Sept 23, Last, and Previous Close.

STERLING INDEX

Table showing the Sterling Index with columns for Sept 23, Last, and Previous Close.

CURRENCY RATES

Table showing various currency rates including Sterling, US Dollar, and others.

CURRENCY MOVEMENTS

Table showing currency movements with columns for Sept 23, Bank of England, and Morgan Stanley.

OTHER CURRENCIES

Table showing other currencies including Argentina, Australia, Brazil, etc.

MONEY MARKETS

UK rates await trade data that level were met as to about 60 p.c. and above in full, compared with 10 p.c. the week before.

POUND SPOT-FORWARD AGAINST THE POUND

Table showing pound spot-forward rates against the pound for various countries.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table showing dollar spot-forward rates against the dollar for various countries.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for 3 months US dollars and 6 months US dollars.

MONEY RATES

Table showing money rates for New York, including Treasury Bills and Bonds.

LONDON MONEY RATES

Table showing London money rates for various currencies.

LONDON STOCK EXCHANGE

Gilt firmness encourages equity rally

A TURN for the better in the UK Government bond sector helped equity blue chips rally from early weakness in London yesterday.

Improved money supply data announced this week. Equities opened easier and slid lower in the absence of US support.

York offices of several London brokerage houses strongly recommended the shares in the wake of this week's announcement of trading results.

The FTSE Index closed 3.7 up at 1724.4, bringing the 1800 hurdle into sight again for the first time since August 22.

Other brewery majors to move higher in the shadow of Allied-Lyons were widespread.

Intense Lonrho activity

Lonrho almost gained the leading role after a fiercely contested battle for the honour with Allied-Lyons.

FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices for Government Secs, Fixed Interest, Ordinary, and Gold Mines.

S.E. ACTIVITY

Table showing S.E. Activity for various companies like GKN, ICI, etc.

Other market statistics

Table showing other market statistics including FT-All-Share Index and Equity Shares Traded.

Allied-Bond saga

Heavy trading in Allied-Bonds, culminating in two trades of 9.5m and 2.3m shares, left the market speculating on developments surrounding the group's relationship with Mr Alan Bond.

stake had changed hands

The consensus of market estimates was that about 12.2m shares, or 1.7 per cent of the Allied equity had been bought yesterday.

by comment from Morgan Grenfell

Morgan Grenfell (MG) after the recent profits warning. The securities house suggests that attention is certain to focus on the potential break-up value of LGJ.

Wellcome traded nervously

Wellcome traded nervously as Retrovir competition fears resurfaced and the shares closed 5 cheaper at 489p.

LONDON TRADED OPTIONS

Large table showing London Traded Options for various stocks like Allied, Brit Airways, etc.

FT-All-Share Index



Equity Shares Traded



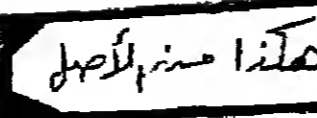
NEW HIGHS AND LOWS FOR 1983

Table listing new highs and lows for 1983 for various companies.

Other market statistics

Table showing other market statistics including FT-All-Share Index and Equity Shares Traded.





LONDON STOCK EXCHANGE Dealings

Details of business done show below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday, and settled through the Stock Exchange, Tallentire, system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

† Bargains at special prices. ‡ Bargains done the previous day. Bargain done with non-member or executed in overseas markets.

British Funds, etc.

No. of bargains included: 1000

Treasury 8 1/2% Deb 1984 '94 - 282 1/2 %

Corporation and County Stocks

No. of bargains included: 22

London County Council 1984 '94 - 210 1/2 %

UK Public Bonds

No. of bargains included: 1

Agricultural Mortgage Corp PLC 4 1/2% Deb 1987 - 220 1/2 %

Foreign Stocks, Bonds, etc.

No. of bargains included: 5

Greco (London) 0 1/2% Public Works Deb 1987 - 220 1/2 %

Registered Housing Associations

No. of bargains included: 1

Housing Finance Corporation Ltd Deb 2027 - 240 1/2 %

Commercial, Industrial, etc.

No. of bargains included: 1000

AAI PLC 4 1/2% Cum Prt 1 - 52 1/2 %

Startling Issues by Overseas Borrowers

No. of bargains included: 4

Alden Development Bank 10 1/2% Lk Deb 2010 - 220 1/2 %

Bank and Finance Companies

No. of bargains included: 1

Australia & New Zealand Banking Group Ltd 1984 '94 - 210 1/2 %

Insurance

No. of bargains included: 1

Accident Insurance Co Ltd 1984 '94 - 210 1/2 %

Investment Trusts

No. of bargains included: 1

Albion Investment Trust PLC 1984 '94 - 210 1/2 %

Plantations

No. of bargains included: 1

Chatterton Corporation PLC 1984 '94 - 210 1/2 %

Railways

No. of bargains included: 1

Canadian Pacific Ltd 1984 '94 - 210 1/2 %

Shipping

No. of bargains included: 1

Bergendy & ASH NV 1984 '94 - 210 1/2 %

Benson Group PLC 10% Cum Prt 1 - 52 1/2 %

Bentley PLC 1984 '94 - 210 1/2 %

Bentley PLC 1984 '94 - 210 1/2 %

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst Mgrs Ltd, Abstract Management Ltd, Aegis Unit Trst Mgrs Ltd, and others, including their names, addresses, and contact information.

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699. Reuters Code: IGIN, IGIO.

LEADERS AND LAGGARDS. Percentage changes since December 31 1987 based on Thursday September 22 1988. Lists sectors like Mining, Overseas Traders, Property, etc., with their respective percentage changes.

RISES AND FALLS. On Friday, Rises: British Funds, Corp. Debt & Foreign Bonds, etc. Falls: Insurance(Composel), Oil & Gas, etc.

BANK RETURN. BANKING DEPARTMENT. LIABILITIES: Current, Public Deposits, Bankers Deposits, etc. ASSETS: Government Securities, Advances and other Accounts, etc.

PRICE WATERHOUSE and the FINANCIAL TIMES CONFERENCE ORGANISATION present: CAPITAL MARKETS WORKSHOP. Includes details about the workshop and contact information.

Main table of FT Unit Trust Information Service. Columns include Unit Trust Name, Address, and various performance metrics like Net Asset Value, Income, and Growth. Lists hundreds of different unit trusts.

GUIDE TO UNIT TRUST PRICING

The data included in the Authorised section of the FT Unit Trust Information pages is based on the information provided to the FT Unit Trust Information Service by the unit trusts themselves. This represents the marketing, administrative and other costs which have to be paid by new investors. These charges are included in the price when the customer buys units.

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FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, including columns for Name, Price, and other metrics. Includes sub-sections like 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

INSURANCES

Table listing insurance-related unit trusts and their details.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts and their details.



FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, NAV, and other financial metrics.

Table of London Share Service, including sections for British Funds, Foreign Bonds & Ralls, and American Funds, with columns for Name, Price, and Yield.

OTHER OFFSHORE FUNDS

Table of Other Offshore Funds, listing various international unit trusts with columns for Name, NAV, and other financial metrics.

Table of Money Market Trust Funds, listing various money market funds with columns for Name, NAV, and other financial metrics.

Table of Money Market Bank Accounts, listing various bank accounts with columns for Name, Interest Rate, and other financial metrics.

Table of Money Market Bank Accounts, listing various bank accounts with columns for Name, Interest Rate, and other financial metrics.



LONDON SHARE SERVICE

AMERICANS - Contd. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

CANADIANS. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

BANKS, HP & LEASING. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

Hire Purchase, Leasing, etc. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

BEERS, WINES & SPIRITS. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

BUILDING, TIMBER, ROADS. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

BUILDING, TIMBER, ROADS - Contd. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

CHEMICALS, PLASTICS. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

DRAPERY AND STORES. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

BUILDING, TIMBER, ROADS. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

ELECTRICALS. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

ELECTRICALS. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

ENGINEERING. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

ENGINEERING - Contd. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

ENGINEERING - Contd. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

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INDUSTRIALS (Miscel.) - Contd. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

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INDUSTRIALS (Miscel.) - Contd. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

INDUSTRIALS (Miscel.) - Contd. Table with columns: 1966 High, 1966 Low, Stock, Price, % Chg, Div Yield, P/E.

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LONDON SHARE SERVICE

LEISURE - Contd

Table of stock prices for Leisure sector including companies like Leisure Group, Leisure Leisure, etc.

PROPERTY

Table of stock prices for Property sector including companies like Property Group, Property Property, etc.

TEXTILES - Contd

Table of stock prices for Textiles sector including companies like Textiles Group, Textiles Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of stock prices for Trusts, Finance, and Land sector including companies like Trusts Group, Finance Finance, etc.

OIL AND GAS - Contd

Table of stock prices for Oil and Gas sector including companies like Oil Group, Gas Gas, etc.

MINES - Contd

Table of stock prices for Mines sector including companies like Mines Group, Mines Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of stock prices for Motors and Aircraft Trades sector including companies like Motors Group, Aircraft Aircraft, etc.

TOBACCO

Table of stock prices for Tobacco sector including companies like Tobacco Group, Tobacco Tobacco, etc.

TRUSTS, FINANCE, LAND

Table of stock prices for Trusts, Finance, and Land sector including companies like Trusts Group, Finance Finance, etc.

OVERSEAS TRADERS

Table of stock prices for Overseas Traders sector including companies like Overseas Group, Overseas Overseas, etc.

PLANTATIONS

Table of stock prices for Plantations sector including companies like Plantations Group, Plantations Plantations, etc.

THIRD MARKET

Table of stock prices for Third Market sector including companies like Third Market Group, Third Market Third Market, etc.

COMMERCIAL VEHICLES

Table of stock prices for Commercial Vehicles sector including companies like Commercial Group, Commercial Commercial, etc.

FINANCE, LAND, ETC

Table of stock prices for Finance, Land, and Etc sector including companies like Finance Group, Land Land, etc.

MINES

Table of stock prices for Mines sector including companies like Mines Group, Mines Mines, etc.

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NEWSPAPERS, PUBLISHERS

Table of stock prices for Newspapers and Publishers sector including companies like Newspapers Group, Publishers Publishers, etc.

SHIPPING

Table of stock prices for Shipping sector including companies like Shipping Group, Shipping Shipping, etc.

SHOES AND LEATHER

Table of stock prices for Shoes and Leather sector including companies like Shoes Group, Leather Leather, etc.

OIL AND GAS

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OIL AND GAS

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PAPER, PRINTING, ADVERTISING

Table of stock prices for Paper, Printing, and Advertising sector including companies like Paper Group, Printing Printing, etc.

SOUTH AFRICANS

Table of stock prices for South Africans sector including companies like South Africans Group, South Africans South Africans, etc.

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NOTES: Stock Exchange listing classification codes are indicated to the right of each entry. A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Regional & Irish Stocks: The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Traditional Options: 3-month call rates. Includes a list of various options and their rates.

A selection of Options traded in the London Stock Exchange is shown on the London Stock Exchange Options List page.



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FINANCIAL TIMES

Weekend September 24/September 25 1988

BROCKET HALL England's Finest Venue for CONFERENCES

Young attacks EC banking plans

By David Lascelles, Banking Editor

LORD YOUNG, the Trade Secretary, yesterday launched the UK's strongest attack yet on aspects of the European Community's proposals for the financial services industry in the 1992 unified market.

and we oppose strongly the reciprocity provisions of the Banking Directive. Lord Young's remarks, made at a meeting of the Italian Chamber of Commerce in London, were supported by Sir George Blundell, Deputy Governor of the Bank of England.

Move on pensions disclosure in mergers

By Eric Short, Pensions Correspondent

THE Government is considering legislation to force companies involved in takeovers and mergers to disclose how they intend to run the merged companies' pension schemes.

Pension matters are rarely considered in takeover discussions and documents. Trustees of schemes where the parent company has been taken over are often left for months with no indication of the new employer's intentions.

Mr Nicholas Scott, Minister of State for Social Security, yesterday told delegates at the CBI's annual pension conference there was a growing need for more information.

The Occupational Pensions Board is preparing a report, ordered by the Government, on the relationship between employees, employers and trustees in company pension schemes, with particular reference to the position of employees and pensioners in companies that are taken over.

Mr Scott said that in studying evidence submitted to the OPB, the Government had noticed a lack of provision of pension information, particularly when merger or takeover was involved.

He clarified that there was a need to identify the position of the parties involved, and told delegates it was likely that there would be legislative changes.

During the past few years there have been cases where companies have stripped surplus from pension schemes of acquired companies and cut back on discretionary benefits. It is understood that adverse publicity after such actions prompted the Government to instruct the OPB to investigate and report.

Nigeria secures 20-year deal to reschedule \$5bn of foreign debt

By Michael Holman, Africa Editor

NIGERIA yesterday secured a 20-year rescheduling arrangement for its \$5.2bn (£3.1bn) debt to commercial banks, ending negotiations which have lasted over a year.

The agreement will help relieve the burden of servicing the country's external debt, which is estimated to total \$26bn, although a series of 90-day rollover deals with the banks had already allowed Nigeria to suspend repayment of principal due on medium-term obligations of \$2.7bn maturing on \$2.5bn in letters of credit.

The Nigerian economy has been in severe difficulties since the early 1980s. Earnings from oil - its main export - fell from the 1980 peak of \$24bn to just over \$7bn last year.

Full details of the rescheduling terms, negotiated on the banks' behalf by a steering committee led jointly by Barclays, BNP and Citibank, have not been divulged.

Bankers who outlined the arrangement - which requires reamortisation by all of Nigeria's 400 creditor banks - said the deal would be a 20-year repayment of medium-term debt, beginning after a three-year period of grace. The rescheduling of letters of credit also provides for a three-year grace, followed by a 12-year repayment term.

The agreement, described by one participant as "a very fair deal," also provides for repayment of nearly \$500m of payable debt. This includes interest due on outstanding letters of credit over three years, without further interest.

In the course of the talks, which ended in London early yesterday, Nigerian officials told the country's creditors that the Nigerian Government was continuing to seek agreement with the International Monetary Fund on its economic programme. The last agreement expired at the start of this year. An IMF team is due in Lagos next month.

Bankers involved in the talks said last night the package had been structured to avoid heavy commitments.

The agreement covering medium-term debt allows principal to be repaid at a rate of 3 per cent of the amount a year over the first 12 years and the balance in equal amounts for the remainder of the term.

Bankers also said the rates negotiated closely matched terms offered recently to Latin American creditors.

will also have to satisfy the reciprocity provisions if they are to continue to do business in the unified market.

Although the UK's own financial services legislation contains reciprocity provisions, the UK is arguing strongly against a centralised reciprocity policy administered from Brussels. It believes each country should be free to administer it itself.

Yesterday's criticisms follow attacks by Mrs Margaret Thatcher earlier this week on the power of the Brussels bureaucrats and the attempts she believes they are making to impose a market structure.

They highlight the strength of the British view that the 1992 plan should be implemented as far as possible on a market-driven basis, with free access from third markets.

Delors strikes back, Page 2

Interest rate rises unlikely, says IMF

By Philip Stephens and Stephen Fidler in West Berlin

MR ONNO RUDING, the Chairman of the International Monetary Fund's policy-making Interim Committee, yesterday played down the possibility of a further rise in interest rates as the main industrial countries.

His comments came as Mr Gerhard Stoltenberg, the West German Finance Minister, reaffirmed his Government's commitment to stability in exchange rates.

However Mr Stoltenberg, who will today chair a meeting in Berlin of finance ministers and central bankers of the Group of Seven leading industrial nations, added that countries must be allowed to maintain their autonomy in setting domestic monetary policy.

He said that large interest rate differentials between countries would be a focus of discussion at the G7 meeting, and cited in particular the high level of interest rates in the UK compared with West Germany.

Mr Ruding, who as Dutch finance minister will chair tomorrow's meeting of the IMF Interim Committee, said that in conversations with other finance ministers he had not detected any feeling that the general level of interest rates would have to rise again in order to contain inflation.

The IMF had expressed some concern about the pace of price rises but there was no widespread threat of an upsurge in inflation.

Officials of the G7 nations continued yesterday to dampen expectations of fresh initiatives at today's meeting. Mr Nicholas Brady, the new US Treasury Secretary, indicated in a series of meetings with other ministers that he expected an eventful gathering.

Mr Nigel Lawson, UK Chancellor of the Exchequer, who met Mr Brady last week, said that November's US presidential election precludes fundamental changes in policies.

Debt relief proposals for middle-income debtors are not expected to make much headway in spite of the expected agreement soon of such a scheme by the French Government. In the past few days British and West German officials have reiterated their objections to plans for global debt relief, saying that they see a continuation of market-based solutions as the way forward.

This would involve further extensions to the so-called menu of options, such as that used in the Brazilian financing package which banks are currently signing.

The finance ministers concluded after a meeting which ended in Cyprus on Thursday that the IMF and World Bank should extend the help they offered in such packages.

German objections to a debt relief plan for the poorest countries are still delaying an agreement at the Paris Club of western creditor nations. However, it is possible that differences will be resolved in Berlin. That would allow government credit agencies the choice of writing down debts, reducing interest rates or extending repayment periods.

Lonrho Continued from Page 1

The US arbitrator is likely to rule in favour of the Lonrho ruling by Mr Justice Peter Gibson in the High Court.

Lonrho yesterday announced the sale of its 80 per cent stake in RuhrGlass, a West German glass manufacturer. Proceeds from the sale to Oberland Glass, West Germany's second largest glass producer, were not disclosed, but analysts put the figure at around £40m.

Lonrho Continued from Page 1

find itself formally partitioned within a matter of days. A State Department Middle East expert said the Administration - which tried in vain to mediate between Syria and its Christian opponents in the last two weeks - would remain in touch with both sides in the conflict.

Because it is allied to Syria, Mr al-Hoss's government can claim that its work runs somewhat further, although it is in fact Syria and its 30,000 or so troops which control west and south Beirut and, in all, some 80 per cent of the country.

Lebanon Continued from Page 1

Like other retailers, the company has had growing difficulty in attracting sufficient staff in the south-east. This week it announced that it would start a 700-place, school-leaver entry scheme to increase its share of young workers.

Although a growing number of companies are launching schemes to attract back women who leave work to have children, few have yet concentrated on other under-exploited sectors of the labour force.

The idea of advertising specifically for over-55s, offering them a choice of full and part-time work during the week or at weekends, came when the company opened a store in Bognor, where there was a shortage of young people.

After attracting older people by advertising in local newspapers, the company extended the experiment to three stores in the Crawley and Horsham areas, where there is low unemployment and competition among employers for staff.

Mr Pat Lennon, Tesco's retail personnel director, said he believed unemployed people aged over 55 were a neglected sector of the labour force and could help the company solve its staffing difficulties into the 1990s.

He said: "Most employers have inadvertently discriminated against these people because it was easy to get hold of young people who were mobile and flexible. But that prejudice is bound to disappear over the next five years."

Mr Owen Thomas, Sainsbury personnel director, said the company had tried to recruit older people for some years but it recognised that the effort would have to become stronger, given the demographic change in the workforce.

Tesco recruitment Continued from Page 1

Equities wait on the real news

THE FIN COLUMN

The contrast between the confidence of the corporate sector and the dismal sentiment in the City of London has rarely been so intense as it has this week.

Blue chip companies like Tarmac and Glaxo have confirmed the continuing strength of corporate profits while overseas predators clearly believe that companies like Lonrho and Consolidated Gold Fields are badly undervalued.

However, equities have only been able to stage a modest recovery and institutional investors seem far happier earning 12 per cent on their rapidly rising bank balances than putting cash back into the market.

The recent weakness of the gold and oil prices reinforces the belief that the financial markets are not going to be threatened by any sudden acceleration in global inflation; and while the surprising strength of the US dollar continues to cause concern, the odds still favour a soft landing for the world economy rather than a painful recession in 1989.

If correct, then corporate earnings in both the US and the UK could rise by 10 per cent or so next year. The yield on the S&P 500 has already risen by more than a third over the last 12 months, while the FT-All-share yield is up by over 50 per cent; and if this profit outlook does not prove to be overly optimistic, then continued dividend growth well in excess of the rate of inflation should be assured.

Against this sort of background, equity markets look good value - provided, of course, that bond prices behave themselves. However, the markets on both sides of the Atlantic are playing a waiting game. In the US, the presidential election outcome is critical and Wall Street is unlikely to break out of its current trading range until it gets a better sense of the winner of the November race. In the UK, the concerns are far more mundane, centring on next Tuesday's trade data. Equities have not recovered from the shock of the July figures, and the market will be waiting to see whether they were an aberration or whether Britain really is facing a balance of payments crisis.

Macmillan

It takes two - or possibly more - to make an auction. And now that Macmillan has confirmed it is on the block, the management must be hoping that someone other than Robert Maxwell can be persuaded to stand up and state their price.

Kohlsberg Kravis Roberts is probably still in the running despite Thursday night's news that the Macmillan board had withdrawn support for its \$85 a share buy-out offer, with a higher bid already on the table from Mr Maxwell.

Given Macmillan's stated aversion to Mr Maxwell, the board would presumably recommend a new KKR offer even if it was 10 cents more than Mr Maxwell's. Whether KKR can justify the extra 10 cents - or the extra few dollars, to be serious - must begin to be in doubt, though KKR's earlier offer already represented the sort of cash flow multiple which the group would not normally exceed, and given that it has the management on side, KKR presumably has a better idea than Mr Maxwell of the value of the business.

What Macmillan is worth to a bunch of buy-out specialists, however, could fall well short of the more subjective valuation Mr Maxwell may put on the business. He still wants a US publisher; and if he were willing to put up with 15 or 20 per cent dilution from his \$86.80 bid, maybe he (if not his long-suffering shareholders) could live with even more still.

Mortgage demand

Anyone with the slightest interest in bricks and mortar - and that includes quite a lot of the market, not to mention the Government - will be watching the mortgage figures to pinpoint the moment when interest rates finally start to bite. Those who are convinced that high interest rates are about to push the UK housing market over the brink will no doubt claim yesterday's news of a 25 per cent decline in August mortgage commitments as justification for their views.

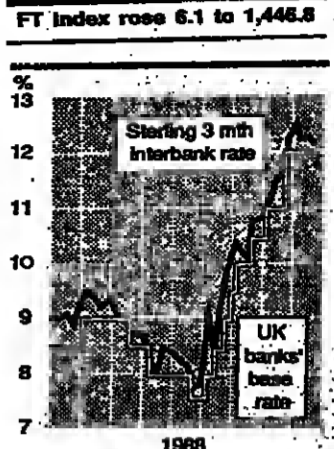
But it would be scant justification indeed: the end of double tax relief for cohabiting couples is the kind of factor which influences house buyers far more than interest rates; and that seems to have been the main reason for August's depressed demand.

When people want to move home they move home, say the building societies, and they will continue to do so despite higher interest rates; borrowing costs are, after all, not that much higher than a couple of years ago. All that does not mean that increased rates will have no impact on the housing market - or more likely, that higher rates will not coincide neatly with a slowdown which was already inevitable. And although forecasts of a downturn based on natural gravity alone have been around throughout the past few extraordinary years in the housing market, it looks like time to start paying attention to them. Inflation may still add around a quarter to the value of an average house this year, but it is difficult to find anyone at the moment willing to predict more than 10 per cent house price inflation in 1989.

HK property

One of the biggest surprises of the post-crash environment has been the robustness of property markets around the world, nowhere more so than in Hong Kong. Yesterday two of the colony's biggest landlords - Hongkong Land and Sun Hung Kai Properties - reported figures which underlined the surprising resilience of the local market. After double digit growth in 1986/87, the economy is only expected to slow to 6 per cent in the current year; unemployment is low and vacancy levels are minimal, which explains why office prices have doubled over the last year.

A 37 per cent increase in the full year net earnings of Sun Hung Kai looks considerably better than the 13 per cent increase in Hongkong Land's first half figures. However, the latter is far less dependent on trading properties; Smith New Court, for example, expects its earnings to rise by 32 per cent next year and another 22 per cent in 1990. Both companies are standing at discounts of more than a third to net asset value, which suggests that the market's nervousness about the sector might be overdue.



FT Index rose 6.1 to 1,446.8. UK buyer's house rate. The graph shows a sharp decline in the FT index followed by a recovery, and a corresponding rise in the UK buyer's house rate.

Table with columns: CHIEF PRICE CHANGES YESTERDAY, FRANKFURT (Dm), Rises, Falls, NEW YORK (\$), Rises, Falls, LONDON (Pence), Rises, Falls.

Table with columns: WORLDWIDE WEATHER, City, Temp, Wind, Rain, Fog, Snow, Thunder.

Wardley European Growth Trust advertisement. Includes text: 'DELIVERING EURO POWER TO YOUR PORTFOLIO', 'GLOBAL INVESTMENT NETWORK', 'WARDLEY EUROPEAN GROWTH TRUST', and a coupon for more information.



# Weekend FT

Section II

Weekend September 24/September 25, 1988

## Memories of the taste of freedom

**I**T WAS comically absurd that the editor of a magazine devoted to the fine wines of Bordeaux should have been held captive by fanatics for whom "nobility" is the very word for wine, is an abomination. Fate can be very whimsical. Unfortunately, I scarcely had the opportunity of the taste to appreciate the irony during my three years in captivity.

My kidnapers had flung me into a world which was exactly opposed to my previous existence. Bordeaux is open to the outside, alert, extremely civilised. It is earthy, drenched in aromas, its air purified by the river Gironde. For three years my sun was a hundred watt bulb which went out during every bombardment. Everything about my life was artificial, absurd. In this confined space, I could no longer capture the outside world. No more aromas, I was enclosed in a world of stone, of walls, of silence. I, who had learned to love the sweet-smelling shadows of the cellars, with their vanilla overtones of new oak casks, was destined to live for three years in a labyrinth of dark dungeons in a shadowy world of suffering.

Nevertheless, during my three years I never forgot the taste of wine. True, it was no more than a memory, a fugitive sensation, like a well-loved book one can no longer read. In my own way I practised Proustian mental gymnastics, albeit without the help of a real maderie. Mine was simply my memory, which recreated pictures and places. Sometimes in the deep dark well of reality, a miracle happened: the taste of cedar and blackcurrant from the Cabernet-Sauvignon, the plummy aroma of the Merlot, returned to me.

How many times I tried to reach up the Medoc past all the chateaux I had known so well. Every evening I opened the cupboard of memories, while in a neighbouring cell our guards prayed and bowed low in memory of Hussein, the Shiite martyr who died at Karbala. They were the images of a free man, for wine is synonymous with liberty. It is a free choice of one's time, the right to choose, to decide for oneself.

It was Michel Seurat, abducted with me on May 22, who started me off on Bordeaux. We had no books, so we had to talk. In the dungeon, 12 feet square, where we were kept, we had to escape. He conversed about sociology while I spoke about literature and described the world of Bordeaux to him. These conversations formed an inner series of lessons. With his methodical and inquisitive mind, Michel took notes and learned to situate the geography of the Medoc, and to locate the Graves in relation to the Sauternais. I started him off with the help of maps which I prepared each morning. He quickly familiarised himself with the hierarchy of the 1855 classification and learned the particular qualities of every year of the vintage of the last few years. As a sociologist he grasped the organisation and workings of this highly regulated and complex society of which he had known nothing before May 22. For a few short hours we managed to escape from our tomb, banishing the shadows and the silence.

We forgot the menacing noise of the air

**Jean-Paul Kauffmann was kidnapped in Lebanon in May 1985 and held hostage until his release earlier this year. Imprisoned for three years in a series of secret dungeons each more gloomy than the last, his fate was always in the balance: one of his fellow hostages died from neglect, another was killed. In this exclusive article, Kauffmann reveals how he retained his sanity by clinging to a symbol of the civilised world he had left behind - Bordeaux and its wines.**

driven into our cell by mysterious aerial orifices. At times, when a man being tortured cried out in the night, we stopped talking, our hearing alerted. The noise of chains, a few strange sighs, the creaking of heavy iron doors, our jailers' footsteps, followed by the silence of the abyss. How could we then talk of the way the Gironde breathed on the vines of the Medoc, or Kant's "ideal of the real"? We had to start again from the beginning.

On July 8, while we were talking about the influence of the River Ciron on the development of "noble rot", a key grated in the lock. Had Saubernes brought us back? We were being removed from our cave to be installed in the floor above. We found we were in Bastia, in West Beirut. This climb constituted a definite improvement in our condition: a bigger cell, healthier food, warders who were almost thoughtful. Being treated as "dioufs" (guests) surely meant that we were about to be freed. The respite lasted a mere twenty days. It was the only time they removed the scarves over their eyes and we could see the faces of our jailers.

I have never understood the reason behind this strange interlude. We had left the world of Pines. But soon we found the world of Goya's painting, The Fates, in which the artist has expressed the implacable nature of time through the image of three appalling old women suspended in a pale sky above a misty landscape. In fact the uncertainty of the night was at work cutting the thread for one of us.

On July 28, we were transferred to a windowless house not far from the airport of Khalde and started our descent into Hell. I no longer remember who it was who said that it was better to visit Hell in one's lifetime than after one's death. This particular Hell did not burn us with the fierceness of its flames. Instead, we were

stripped of our whole being through a combination of the ridiculous and the absurd. Camus was right when he said that stupidity is always insistent - a quality responsible for the death of my friend Michel Seurat. At the beginning of September, when he felt the first symptoms of his illness, our jailers never tired of repeating "Basstita" (it's no problem). It was the slowness and sheer thickness of our captors which killed him. Earlier he had been able to meet his wife who had brought back from his library a number of books, including a volume of Sartre, which was never to leave my side.

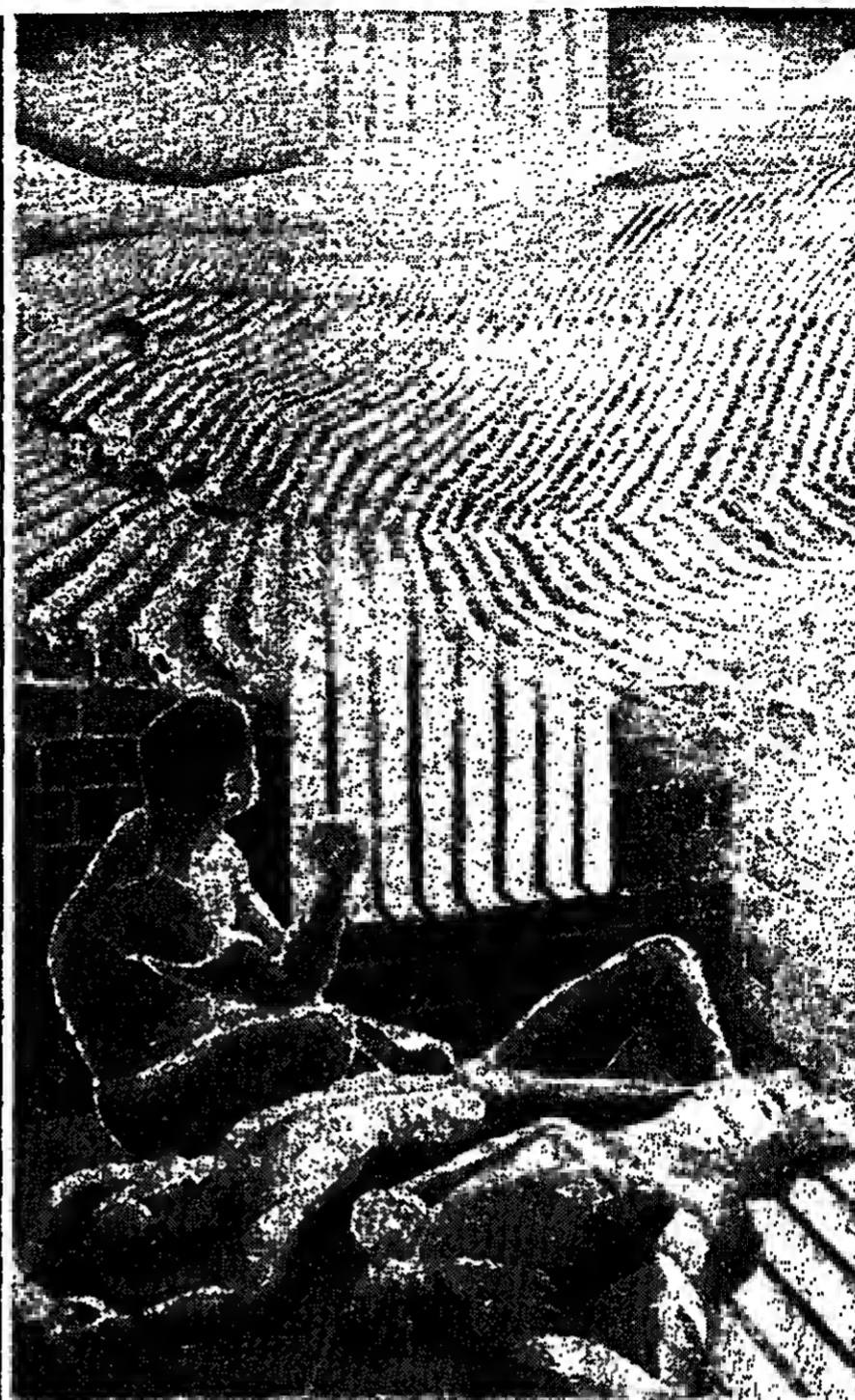
Around this time our warders wanted to talk all the time. They asked us unexpected - or simply puerile - questions. For example: "Do you drink wine?" "Yes I did," I said. "But it's forbidden," they exclaimed. "Forbidden by whom?" asked Michel. "By the Koran of course," they replied. "You know we are not Moslems," was our response. "But why aren't you Moslems?" Every evening we performed this Ionesco-like farce full of mutual misunderstandings and dialogues of the deaf. We lived in a world turned upside down, in a sort of parody-planet.

Two new personalities, happily very real, were introduced into this ludicrous world: Marcel Fontaine and Marc Carton. It was a shock to see their faces marked by their sufferings. The fraternity of mutual misery now counted two new members.

By the end of September Michel was really ill and kept quiet. "If you'll excuse me," he would say, "I don't feel inclined to talk, but you must love to hear your discussions with Carton and Fontaine. I have the impression that life, the real life led by those living outside, goes on." Our jailers were rather jealous of these discussions. For we never stopped talking. Marcel Fontaine, who showed a lively interest in oenology, quoted Omar Khayyam: "Ever since the sun and the moon first shone in the firmament, we have never known anything superior to wine." This quotation came from a very valuable book he owned at his home at Francoville, written at a time when the Iranians were Persians, when they were wise, witty, easy-going. Michel Seurat listened, thoughtfully, and still had the strength to note down the name of a chateau whose wines we liked. "For later on, when I am free," he said, "without going any further, he was willing himself to live but felt that his strength was slipping away."

The rest of the time we read, for reading and conversation were our only two expedients for escaping from the labyrinth. The iron doors, the walls, the impenetrable silence broken by the almost mighty bombardments, the repeated lies, the uncertainty of our fate, created a complicated and tortuous net. After all, what is a nightmare if not a maze of situations and meanderings from which you cannot escape? In this tangle of buildings, of trompe-l'oeil galleries, of false hopes, our memories, the tastes we possessed when we were free men, became our Ariadne's thread.

Three books accompanied us in our cap-



*'I realised how apt a symbol wine is of life, for it represents sap, vigour, vitality, continuity.'*

attracted me, partly because the characters were drinking Chateau Margaux. I remember that in the course of our discussions Michel Seurat, who was becoming something of a connoisseur, regretted the fact that Sartre had not indicated the vintage.

In War and Peace Count Pierre also drank Chateau Margaux. I'm very fond of Count Pierre, but he was no connoisseur. He was rich, he "drank the label" and did not concern himself with the sensations involved. The sad truth was that he got drunk on Chateau Margaux. This lapse in taste invariably shocked me. Was that the reason I preferred Prince Andre, who is more refined, more cerebral? He would certainly have appreciated claret, but Tolstoy neglected to give him anything to drink.

In the Bible I found almost everything. Besides truths to believe or to practice the Bible contained a thousand observations on the art of living, of drinking, of eating.

There's a lot about wine in it. I even started a study on wine and the Bible at the end of 1986, before they finally removed our pencils and paper. "The strong man does not play with wine, for wine has been the undoing of many," says the prophet.

The first time I talked with Elie Hallak, the Lebanese Jewish doctor who had also been taken hostage and tried to save my friend Michel, he declared: "Ah, you love claret. You must initiate me into its mysteries when we are freed." I never had the opportunity of teaching Elie Hallak about wine, since in February 1986 our captors announced that this medical hero had been killed. Ignoring his own fate, he looked for every means to comfort Michel in his agony. When I met his widow Rachel in Paris after I had been freed, I offered her a present: a bottle of Mouton Rothschild 1981.

Reflecting today on these two friends who have gone for ever, I realised how apt a symbol wine is of life, for it represents sap, vigour, vitality, continuity. Punctuated by bombardments and the monotonous drumming of heavy machine guns indicating that we were near the Palestin-

*'I imagined myself as Diogenes lurking at the bottom of his barrel. Enslaved by my chain, almost subjugated. Nothing in the outside world existed any longer.'*

ian refugee camps in South Beirut, regret for wine permeated our darkness, chasing away fear and inclining us to the sweet communion of like minds. One had known for a long time that it was not necessary to drink wine, that merely to talk about it is enough to maintain that sociability which for us was a form of survival.

During these three nightmare years we talked about wine practically every day. It was our last link with the world of the living. Hungry, cold, hot, fearful, we never stopped talking about wine. About claret to begin with, but we were not choosy. Many of our fictional pilgrimages took place in Champagne. At times I devised crosswords for Marcel Fontaine without ever forgetting the lovely town of Ay, an obligatory stopping point for every crossword lover. And how should you open a bottle of champagne? By grasping the cork delicately in the hand or shooting it right across the room? Such were the subjects of our discussions while all the time there was death in our souls. When a guard came into our cell, cooking his Kalashnikov or screwing on his silencer, we would interrupt these interesting discussions for a few moments.

Every day I kept my memory in trim by reciting the 1855 Classification of the great wines of the Gironde. I reconstituted the list on envelopes made from packets of Cedar, the infamous Lebanese cigarettes which they gave us to smoke at the rate of two or three a day, when they didn't deprive us of them. I lost my list every time we were moved - eighteen times in all.

In the end my memory started playing me tricks. And then, to be frank, believing that we had been forgotten, I started to despise the world outside. Everything which reminded me of civilised life had

Continued on Page XXIV

## The Long View

### The honesty test for stock markets

Honesty, as the saying goes, is the best policy - but is it the most successful?

Certainly, it is not being universally practised. Stock markets world-wide are going through one of their more troubled and scandal-ridden phases, which is natural enough after the greed and complacency characteristic of an extended bull market.

In Hong Kong, eight former Stock Exchange leaders, including both last year's chairman and chief executive, are charged with corruption, including the taking of bribes and the manipulation of new issues. The exchange is being reformed, but not before tremendous damage has been done to its reputation.

The Japanese normally manage these things more discreetly, but a juicy scandal has erupted in public with allegations of bribery among politicians and businessmen through the flotation of a small property company called Recruit Cosmos.

In a bull market new issues are common sources of corruption. Speculative enthusiasm can be whipped up through a succession of issues which are underpriced and therefore create instant profits. For the lucky insiders who realise the preferential allocations this is profit without risk.

London cannot afford to look down its nose at Tokyo and Hong Kong. Enough cases of malpractice emerged from the British Telecom flotation to pose serious questions about what goes on during new



**Stock market regulators are clearing up the excesses of the bull market. But there is no consensus about the value of honest dealing**

so much more seriously than do, say, the Italians. In Italy they have other ways of raising capital.

Consider a market such as that of Hong Kong. The average Chinese cannot understand why a company director should behave in the altruistic way he is supposed to in the

US, by acting in shareholders' interests. The investor's only safe course is to make sure that his interests and those of an entrepreneur coincide.

Therefore in practice listed companies in Hong Kong tend to be controlled by the proprietor and his family. Who works trust an entrepreneur who was not committed to defend his controlling interest and might be prepared to dilute his company's equity if it suited him? Family businesses tend to dominate. But this imposes severe limits on the size and scope of companies.

In Japan it is different. Constraints are imposed by the unusual cohesiveness of Japanese society, and in particular by the network of corporate cross-holdings which locks companies into strong relationships with their trading partners. But manipulation is not so much suppressed as controlled. Indeed, it becomes institutionalised.

The Japanese capital markets are therefore rigged, but in a tremendously successful way. Nearly everybody has appeared to be a winner. The equity market has been pushed up and up, to the extent that the last tranche of the telephone monopoly NTT was sold last November on a price-earnings ratio of 270. But the system is creaking; it looks as though the price of the further tranche to be sold next month will be 15 per cent or more lower, and the size of the issue has had to be cut back.

Japan has certainly been able to buck the general rule about dishonest markets. The normal principle, after all, is that the more honest that markets are perceived to be, the more willing investors will be to commit their capital, and the lower the cost of that capital will be to the corporate sector. Furthermore, if markets are efficient and information flows freely, capital will be allocated in a way which maximises the economic benefit.

This is the target that the SEC has been doggedly pursuing in the US since it was established in 1933. The UK has been following along behind, although it is worth noting that insider trading has only been illegal in the UK since 1980 and that enforcement is decidedly patchy.

Success can only be relative. These markets enjoy a greatly higher reputation, however, than others which proceed in a succession of extravagant bubbles and crashes. A year ago the Hong Kong Exchange was attempting to promote itself as an international grade market. But should one ever expect the Hong Kong market to be honest in Western terms?

The crucial test will be provided by the behaviour of the Tokyo market. In Western theory the manipulation of the market, however brilliantly managed, must eventually end in tears. During the boom the Japanese have seen no need for their own SEC. But can it be significant that they have now started to talk about setting one up?

Finance: Alan Bond's plans for M & G	IV	How To Spend It ... on Armani	XXI
Motorings: Collectable classic cars	VIII, IX	Arts: The Mackintosh phenomenon	XXIII
Property: New homes	XXV	Sport: Carl Lewis, super-athlete	XXIV

## Pacific gravity?

You just can't keep a good trust down. The F&C Pacific Investment Trust rose 116.4% in the four years to 31 July 1988, even including the October crash.

But then the Foreign & Colonial Group has been handling investment trusts since we invented them in 1868. And experience, it would seem, pays in the matter of rising above falling markets.

Look at our interim figures - an increase in the Net Asset Value of 17.3% to 31st July 1988.

Of course the past is no guide to the future. So what's to come? The land of the rising sun is, we reckon, on course for some rapidly rising profits. It's no coincidence we happen to have over 50% of the Trust currently invested there. For the rest, we pick and mix from West Coast America, to Singapore, Hong Kong and Australia. Areas where there's always a buck, or indeed dollar, to be made.

While you should remember that share prices can fall as well as rise, right now serious investors should weigh up the Pacific.

As a matter of gravity.

Source: Datastream share price performance.

For a copy of the Interim Report, more information and application forms for the Private Investor Plan, send this coupon to: Karen Barber, Foreign & Colonial Management Limited, 1 Laurence Pountney Hill, London EC4R 0BA. Or telephone (01) 623 4680. \*Manager of the F&C Pacific Investment Trust PLC and a member of IMRO.

Surname: \_\_\_\_\_  
 Mr/Mrs/Miss/Other: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Postcode: \_\_\_\_\_ DT 24/9/88

**Foreign & Colonial**  
Investment trusts



UK MARKETS

HIGHLIGHTS OF THE WEEK

	Price y/day	Change on week	1988 High	1988 Low	
FT Ord. Index	1446.8	+24.3	1514.7	1349.0	Renewed bid fever.
Abbey Lts	320	+23	348	226	Bid speculation / stake-building talk.
Coats Vytella	170	-29	267	169½	Disappointing interim results.
Cons. Gold Fields	£12½	+2½	£14	758	Minorco bid.
Corah	85	-10	88	55	Increased first-half loss.
Courtaulds	287	-18	395	287	Broker lowers profits forecast.
Local London	505	+45	550	408	Brent Walker ups stake to 14.3%.
Lorho	342	+78	361	163	Mgmt buyout & asset-strip's poses.
Marina Development	419½	+59	440	235	Local London has 25% / bid spec.
Preswich	139	+18	150	114	Management buyout possibility.
Quest Group	109	+27	122	74	Agreed bid from Erskine House.
Refuge	480½	+71	485	407	Takeover speculation.
Rothmans Intl.	449	+38	450	365	Renbrandt stake speculation.
Sun Life	£10½	-1½	£12½	965	Gpo. AG/UAP deal curbs bid spec.
Thermal Scientific	215	+62	216	127	Agreed £72.5m bid from TL.

RESULTS DUE

# Hoping for Next best

GEORGE DAVIES OF NEXT will be hoping that the retailer's interim results on Tuesday give its shares a chance to regain some of the glamour they have lost in recent months. Analysts are looking for £36m against £30.2m in the first half of 1987 but, more importantly, for some indication of the success of recent ventures such as the Next Directory home shopping operation, the new jewellery chain, and the newswagents which Next has snapped up. They will also want to know whether Next copies other retailers in the treatment of the "put" option on its convertible Euro-bond issue.

RESULTS DUE

Company	Announcement date	Dividend (p)	Last year	This year
<b>FINAL DIVIDENDS</b>				
AB Electronic Products	Friday	2.0	10.5	3.0
Adwest Group	Thursday	1.8	7.8	2.0
Balfour Beatty	Wednesday	0.4	0.8	0.6
Bristol Channel Repairs	Thursday	-	-	-
Calet Group	Thursday	-	-	-
Chambers & Fergus	Tuesday	1.0	0.7	1.0
Courtesy Pope	Friday	2.2	3.7	2.5
Dowling & Mills	Monday	2.2	1.1	0.2
Eleco Holdings	Wednesday	2.0	3.5	2.2
FI Group	Monday	3.0	5.0	3.2
Forminster	Wednesday	2.2	4.9	2.5
Formpro Estates	Wednesday	2.1	6.4	2.3
Gent SR	Wednesday	0.4	0.8	0.5
Harvey & Thompson	Wednesday	2.5	6.0	3.0
Lloyd Thompson Group	Monday	-	-	-
Lysander Petroleum	Tuesday	-	-	-
M&I	Monday	6.0	14.0	1.2
Morlin International Prop	Wednesday	-	-	-
Microfilm Reprographics	Friday	1.0	2.0	1.1
Parker Knoll	Monday	5.0	13.0	7.0
Permatel Computers	Thursday	1.2	2.4	1.5
Rumar Textiles	Wednesday	-	-	-
Raworth Trust	Wednesday	1.7	1.0	1.0
Remshaw	Monday	0.8	1.7	1.0
Star Computer	Wednesday	-	-	-
Thorpe FV	Wednesday	2.0	3.1	2.2
Throgmorton Deal Trust	Wednesday	1.5	3.5	2.0
TIP Europe	Wednesday	1.4	2.9	1.5
Triford Park Estates	Wednesday	1.2	1.2	-
West Trust	Wednesday	1.3	2.8	1.4
Young H Holdings	Tuesday	1.3	2.8	1.4
<b>INTERIM DIVIDENDS</b>				
Albany Investment Trust	Monday	0.8	1.8	-
Allied Partnership Group	Monday	0.5	1.0	-
Asst & Lacy	Monday	0.7	1.0	-
Ashley Laura Holdings	Wednesday	0.8	1.1	-
ATA Selection	Tuesday	0.7	1.1	-
Bathead	Thursday	1.0	0.4	-
British Dredging	Thursday	2.0	3.5	-
British Filings Group	Wednesday	1.0	3.5	-
British Estate	Thursday	3.0	4.8	-
BSG International	Thursday	0.1	0.2	-
Capital & Regional Prop	Thursday	0.1	0.2	-
CCA Publications	Tuesday	0.8	2.1	-
Charles International	Tuesday	0.7	1.0	-
CI Group	Thursday	0.5	0.8	-
Clifford's Darltes	Thursday	3.3	5.5	-
Clifton Cards	Friday	2.2	-	-
Coates Brothers	Friday	1.2	2.4	-
Computer People	Monday	1.2	2.4	-
Dencora	Tuesday	0.1	0.2	-
Eagle Trust	Friday	0.1	0.3	-
Early's of Whitby	Wednesday	0.3	1.0	-
Epicure Holdings	Wednesday	0.2	0.5	-
Estates & General Investments	Wednesday	1.0	2.2	-
Evered Holdings	Tuesday	1.2	2.0	-
Folkex Group	Wednesday	0.3	1.2	-
Fortnum & Mason	Thursday	3.5	7.1	-
Foocco Minap	Thursday	1.9	2.1	-
Headline Signs & Copying	Thursday	4.7	9.0	-
Hunting Petroleum Services	Tuesday	3.5	4.0	-
Janit	Wednesday	-	-	-
Kentish Property Group	Wednesday	1.5	3.2	-
London & Metropolitan	Wednesday	1.5	3.2	-
MBS	Monday	1.5	3.1	-
Metaxas Jones	Monday	0.7	2.0	-
Metatix Group	Monday	1.1	2.2	-
M&I Research	Tuesday	2.5	7.1	-
Mollins	Tuesday	4.7	12.5	-
Moravian John & Co	Tuesday	1.5	4.7	-
Next	Tuesday	1.5	4.7	-
P&L Group	Friday	-	-	-
Richterswater Water Company	Monday	0.1	0.14	-
Ruford Trust	Monday	0.9	1.3	-
Shredded Group	Friday	3.2	6.0	-
Silicone Lubricants	Wednesday	4.0	5.0	-
Smurfit Jofferson	Tuesday	1.2	2.7	-
Steady	Monday	3.0	6.0	-
Sumit	Monday	1.0	3.0	-
Tesco	Wednesday	1.0	1.8	-
The Value Industries	Thursday	1.7	2.8	-
Triplast	Friday	7.4	7.1	-
Turrit Corporation	Thursday	2.7	5.8	-
TV-AM	Thursday	5.0	5.5	-
United Friendly Insurance	Thursday	6.0	17.0	-
United Newspapers	Thursday	7.0	12.0	-
Watts, Blake, Burns & Co	Monday	2.0	4.1	-
Whitman Reeve & Angel	Thursday	1.2	2.8	-
World of Leather	Thursday	-	3.2	-

\*Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 40%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
<b>CLEARING BANK*</b>						
Deposit account	4.00	4.10	3.28	monthly	1	0-7
High interest cheque	7.00	7.20	5.78	monthly	1	0
High interest cheque	7.40	7.70	6.18	monthly	1	0
High interest cheque	7.80	8.10	6.48	monthly	1	0
High interest cheque	8.20	8.50	6.80	monthly	1	0
<b>BUILDING SOCIETY†</b>						
Ordinary share	4.85	4.85	3.72	half-yearly	1	1-250,000
High interest access	6.50	6.50	5.20	monthly	1	2,000 minimum
High interest access	6.75	6.75	5.40	yearly	1	2,000 minimum
High interest access	7.25	7.25	5.80	yearly	1	5,000 minimum
High interest access	7.50	7.50	6.00	yearly	1	10,000 minimum
90-day	7.50	7.54	6.11	half-yearly	1	500-9,999
90-day	7.50	7.90	6.52	half-yearly	1	10,000-24,999
90-day	8.25	8.42	6.74	half-yearly	1	25,000 minimum
<b>NATIONAL SAVINGS</b>						
Investment account	10.00	7.80	6.00	yearly	2	5-100,000
Income bonds	9.00	7.04	5.83	monthly	2	2,000-100,000
Deposit bond	9.00	6.75	5.40	yearly	2	100-100,000
34th issue†	7.50	7.50	5.70	not applica	3	25-1,000
Yearly plan	7.50	7.50	5.70	not applica	3	20-200/month
General extension	5.01	5.01	5.01	not applic.	3	14
<b>MONEY MARKET ACCOUNTS</b>						
Schroder Wegg	7.77	8.05	6.44	monthly	1	2,500 minimum
Provincial Bank	8.83	9.19	7.38	monthly	1	1,000 minimum
<b>BRITISH GOVERNMENT STOCKS</b>						
5pc Treasury 1985-89	9.74	8.44	7.68	half yearly	4	0
5pc Treasury 1992	10.43	8.33	7.08	half yearly	4	0
10.25pc Exchequer 1995	10.31	7.74	6.20	half yearly	4	0
3pc Treasury 1990	9.09	8.30	7.82	half yearly	4	0
3pc Treasury 1982	8.59	7.75	7.24	half yearly	4	0
Index-linked 2pc1982-89	8.54	6.03	7.72	half yearly	2/4	0

\*Lloyds Bank Halifax 90-day; immediate access for balances over £5,000.†Special facility for extra £5,000.‡Source: Philipps and Drew. \$Assumes 5.0 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

JUNIOR MARKETS

## The cows come home at last...

IT HAS BEEN a long time coming but, finally, with the help of a few million cows and the odd boardroom coup, Bio-Isolates has emerged from its loss-making gloom into the black.

The former Swanssea and Newcastle-based company has had a chequered history since it was floated on the Unlisted Securities Market in 1982. It was founded by two chemical engineers, Drs Doug Palmer and Rod Dove, keen to market their invention to the world.

Their wonder product was Bipro, protein manufactured from whey, the waste product in cheese-making. A tasteless white powder, Bipro is a fat and cholesterol-free substitute for animal protein and eggs. The issue, sponsored by licensed dealer Chandler Singh's London Venture Capital Market and broker Stamford Duff at a placing price of 35p, was a huge success. Heavy promotion, based on direct mail plans, ensued with hopes that the world's major food producers would jump to incorporate Bipro in their products, saw the shares climb from an opening 44p to a dizzy 440p by early 1983.

By June that year, though, they had fallen to 130p as it became clear that huge orders were not coming and the company reported continued losses. Since the end of 1984 they have not been above 60p, and actually fell to 3p in October 1986.

In the mid-1980s, a boardroom coup ousted Palmer as chairman. "We were just not satisfied with the progress the company was making," says director Richard Koch. Two businessmen, Mark Davis and Alan Staple, were brought in as chairman and chief executive respectively.

Bio-Isolates manufactures Bipro as a joint venture with a US company, Le Sneur, its production facilities literally lacked on to the end of Le Sneur's dairy factory in Minnesota. Approximately 500 tonnes of Bipro are produced a year. A little less than 50 per cent of total production is bought by Dreyfus, a Californian specialty ice cream manufacturer, and two Japanese trading houses buying for food producers in Japan. The balance goes to food manufacturers in the US, West Germany and, occasionally, the UK and Holland. Bipro is used in ham and sausage products, in cases in nutritional foods for the elderly, and in protein-reinforced drinks for athletes.

At 26,000 a tonne, the price of Bipro has not improved much on the 25,000 quoted in 1983. Directors accept it is a niche product, says Koch, and present growth expectations centre on a new product also produced from cheese whey - Bipro-ig, an anti-bacterial bovine immunoglobulin concentrate.

As new-born calves have no natural protection against disease, a high proportion would die in their first week but for drugs. Bio-Isolates hopes that Bipro-ig will provide a natural source of anti-bacterial protection to the calves, substituting for drugs.

The prototype product is undergoing trials by a school of veterinary medicine and the development programme is on schedule. "It should be ready for marketing in the early part of 1989," says Koch. All hopes are pinned on its success.

Fiona Thompson

LONDON

# Let's hear it for the raiders

THREE cheers for the corporate raiders. A week that saw the largest-ever bid for a UK company, and a New York arbitrageur on Lorho's share register, shook the stock markets out of their recent depression.

The £2.9bn bid from Minorco for Consolidated Gold Fields for Consolidated Gold Fields might have been unpopular with the latter's board, and with anti-apartheid campaigners, but it was good news for share-traders.

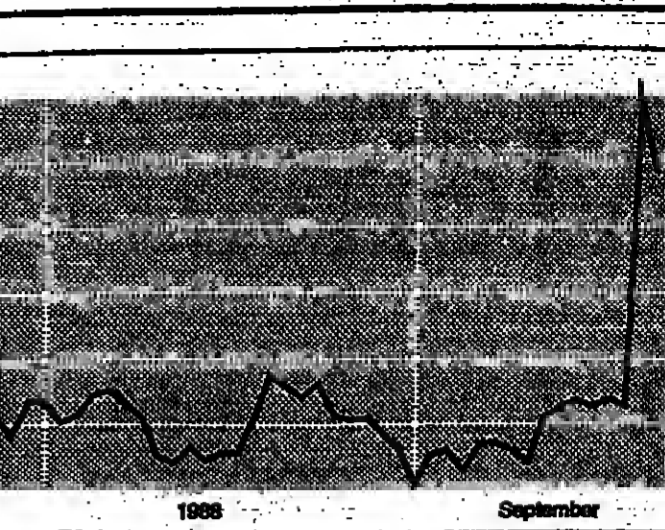
Gold Fields' share price jumped 32p to £14 on the day of the bid and the excitement spread quickly to other mining stocks particularly Charter Consolidated, in which Minorco has a 38 per cent stake, and Johnson Matthey, of which Charter owns 38 per cent.

Equity market turnover on Wednesday the day that Minorco announced its bid, was £1.15bn, the highest daily figure this month. And the FT-SE 100 index, which had begun to drift back towards the 1,750 level on Monday, jumped 24.7 points on Wednesday to close at 1,793.8. By Friday afternoon, Footsie was still hovering around the 1,790 level.

Ironically, amid all the activity in mining stocks, the gold price slumped below \$400 an ounce this week as fears of an upsurge in world-wide inflation receded. As the market began to examine the Minorco bid more closely, doubts began to set in. Political pressure on the Government to refer the bid to the Monopolies and Mergers Commission is likely to be intense. Fear of Minorco's offer is in the form of paper - and Latham, the London-based shares are not particularly attractive to London investors.

On top of all that, there were persistent rumours of insider dealing ahead of the bid announcement, based on some substantial position-taking in the options market. The net effect was to push Gold Fields' share price below the £13.32 offer price by early trading on Friday.

However, the bid has so many intriguing angles - the Oppenheimer connection, the South African ownership of the mine, the involvement of former British Leyland boss Sir Michael Edwards as chief executive of Minorco - that its twists and turns are likely to



keep the markets amused for a while yet. There could also be long-term repercussions from the news that Asher Edelman has bought a stake of at least 3.8 per cent in Lorho, "Tiny Rowland's international trading company. As a raider, Edelman is not quite in the league of Carl Icahn and T. Boone Pickens, but his interventions have been known to push managements into takeovers or elaborate corporate restructuring.

Lorho acted swiftly, obtaining an order in the High Court freezing dealings in some 17m of its shares. Paul Spicer, a Lorho director, said he was convinced that Edelman was acting as a front man for another buyer.

Lorho stirred the pot further on Friday by saying that it would not rule out a management buyout or asset sales if that benefited shareholders. Lorho's shares ended the week more than a third above Monday's level.

Just to show that takeover rumours were not confined to the mining sector, Allied Lyons' shares shot ahead on talk of a bid from US brewer Anheuser-Busch, while Erent Walker, the leisure group, launched an "afternoon raid" on Local London, the property company which specialises in business centres.

The markets were able to concentrate on their favourite activity of bid-watching because this week's batch of economic statistics were of little use in indicating whether the consumer boom was on the

wane. August's bank and building society lending figures - at £5.8bn - were below most analysts' expectations but M0, the narrow monetary measure, remains obstinately outside its target range. August's 0.8 per cent increase brought the year-on-year rise to 7.8 per cent, compared with the Chancellor's target range of 1.5 per cent.

Worse still, M0's annualised growth rate has been 10.8 per cent over the past six months. And government estimates for the GDP deflator regarded as the best measure of domestic inflation showed annualised growth of 5.9 per cent in the second quarter.

That confirms the view of many commentators that the economy was growing too fast earlier this year, but provided no evidence of the effect of interest rate increases, which began only in June.

There was one statistic this week which indicated that the repeated rises in base rates were dampening demand. Friday's figures from the Building Societies Association showed that August mortgage commitments were £3.98bn - the lowest figure since January.

However, one month's figures could be misleading since the ending of dual tax relief for unmarried couples on August 1 might well have been responsible for much of the fall. The next big piece of economic news is due on Tuesday with the publication of August's UK trade figures. July's £2.15bn current account

deficit caused universal doom and gloom: if August's figure is anything like as bad, a fall in sterling and a further rise in base rates cannot be ruled out. The market's nervousness about the trade figures was not helped by the Chancellor's statement that the current account figures would be among the last pieces of economic data to be affected by the interest rate increases.

Amid all the bid talk and the macroeconomics, it is easy to forget that September traditionally is one of the busiest seasons for corporate results. This week's batch, which reflect activity in the first half of 1988, largely confirm that the fast-growing economy has been good news for profits.

Tarmac, RMC and Barrat Developments all benefited from the construction boom while Glaxo reported a 12 per cent increase in annual profits, despite the adverse impact of exchange rate movements.

However, Coats Vytella, Europe's largest textile group, was less able to cope with currency movements and its interim pre-tax profits fell to £76m from £81m in last year's first half. There were signs, at least, that those companies which have suffered most from sterling's strength might be due for some relief. Nervousness about next week's trade figures pushed the pound lower over the week. Sterling's trade-weighted index touched 75 on Friday, compared with 78 a week earlier.

Philip Coggan

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

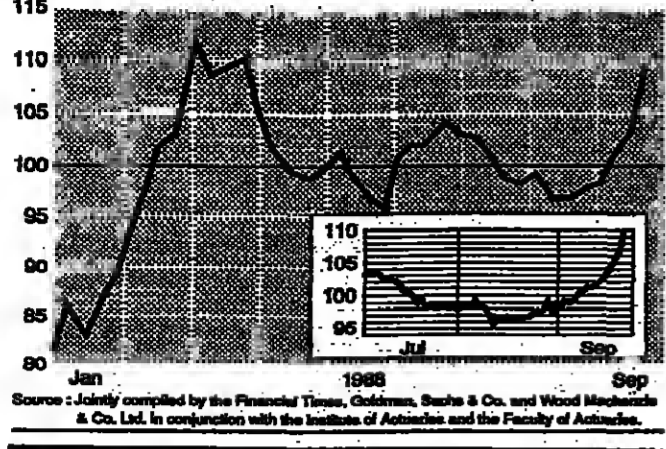
Company bid for	Value of bid shares	Market price	Price paid	Value of bid shares	Offer
AGS Research	220's	219	214	94.8	Pergamon
Catalyst Comms.	518	51	82	11.6	Holmes & Narth
Consolidated Gold Fields	£13½	£12½	£14	2,840	Minorco
Hard Rock Intl	132	130			



WORLD MARKETS

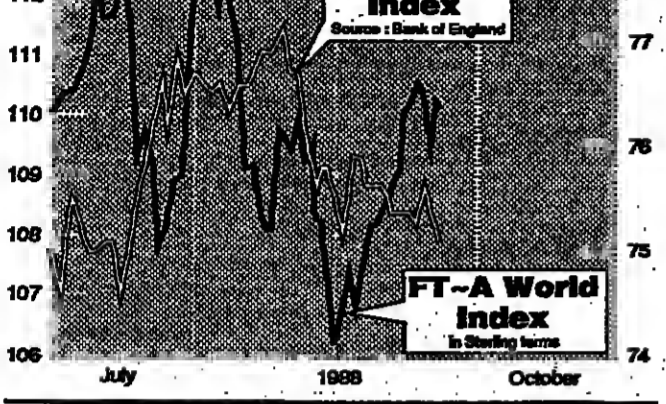
Belgium

FT-A World Index (in sterling terms)



Source: J. debyl compiled by the Financial Times, Goldman Sachs & Co. and Wood Mackenzie & Co. Ltd. In conjunction with the Institute of Actuaries and the Faculty of Actuaries.

FT-A Index Dec. 31, 1986 = 100



Source: Bank of England

FT-A World Index in Sterling terms

**BELGIAN** Government plans aimed at forcing stock market investors to disclose share stakes in public companies exceeding 5 per cent were widely welcomed in business and political circles when they were unveiled this summer.

At the end of a week in which speculative froth has once again bubbled over on the Brussels Bourse, however, market men may well be forgiven for feeling that life on the trading floor will be a good deal less exciting once this so-called "anti-raider" legislation is in place.

Several times this year the Brussels market has soared to dizzy new heights on the back of buying - or rumoured buying - by unidentified predators. Most dramatically, Carlo De Benedetti was secretly able to build up an 18.6 per cent stake in the country's largest holding company, Sociétés Générales de Belgique, before finally declaring his hand in mid-January.

Belgium's leading supermarket group, GB-Inno-RM, was another, shorter-lived target in the spring until the company's management and leading shareholders moved determinedly to shore up the defences. The summer was dominated by suggestions that someone was discreetly stake-building in the country's multinational oil group Petrofina, but over the last couple of weeks (and most particularly the last few days) the spotlight has switched to the country's prized and powerful energy concern, Tractebel.

At least 10 per cent of the company's stock is known to have changed hands in official market trading since July - a speculative burst which reached its crescendo on Wednesday when the price leapt from BF9,900 (€150) on turnover of BF2.5bn, pushing the Brussels forward market as a whole 180 points, or 3.3 per cent higher, to a record level of 5,628. In an about turn which left Bourse observers more puzzled than before, Tractebel's price then did a swift nose dive, plunging no less than 23 per cent on Thursday to BF7,670 and (along with Petrofina, whose fall was less dramatic) dragging the whole market down with it.

Not for the first time in a city where tongues tend easily to wag there was widespread bafflement as to what is going on behind the scenes. The mystery, moreover, is all the deeper, since on the surface at least the company appears tightly controlled by Générale de Belgique and the country's other large financial and industrial holding company, Groupe Bruxelles Lambert (GBL).

which is the most probable scenario.

Whatever the truth the mystery Tractebel buyer has once again highlighted Belgium's openness - bearer shares and no insider trading laws as well as no disclosure requirements - and has focused attention on a company whose assets are thought to be undervalued. The saga is also a vivid illustration of the way in which the once cosy alliances between leading members of the Brussels financial establishment - typically cemented through a complex web of cross participations - have started to look less solid, if not to break down in the face of deregulation in other European markets and the move to build cross-border financial and industrial groupings in the run up to 1992.

Tractebel has its own "in house" engineering business, but apart from that it consists of large numbers of stakes in other businesses, ranging from energy (notably Petrofina) and electronics and telecommunications (such as ACEC) to communications and media (notably a 5 per cent stake in the French Havas group and a 9.9 per cent holding in the Belgian cable TV company Coditel). This year Tractebel has not been slow in coming forward with new paper and many ana-

BELGIUM

Raiders fuel the fires

FT-ACTUARIES WORLD INDICES

Country	% change July 1st 1988	% change since Dec. 31st 1987
Australia	+1.6	+48.7
Austria	+3.8	-2.3
BELGIUM	+6.4	+34.7
Canada	-4.6	+20.4
Denmark	+2.3	+28.3
France	+2.1	+28.1
W Germany	+6.1	+15.1
Hong Kong	-5.2	+26.9
Ireland	-2.1	+39.0
Italy	+1.5	+3.4
Japan	+0.2	+24.9
Malaysia	-8.8	+38.0
Mexico	-5.5	+66.1
Netherlands	+0.6	+14.4
New Zealand	-8.2	+4.4
Norway	-8.3	+24.3
Singapore	-2.7	+38.7
S Africa	+3.5	-15.2
Spain	-8.2	+15.5
Sweden	+5.1	+38.9
Switzerland	-1.7	+3.2
UK	-5.8	+5.5
USA	+1.2	+23.4

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grip on Belgium's three leading electricity producers - Ebes, Intercom and Unerg - and increased its holding in Petrofina to 10 per cent. Another, more to the point, was that GBL and its dynamic leader Albert Frère increased his direct and indirect stake in Tractebel to a little over 20 per cent.

In response to what were described as "unfounded rumours" GBL and SOB (which along with Sofina controls more than 30 per cent) issued a joint one-sentence statement on Thursday in which they "confirmed their wish not to see this majority affected." Some speculation nevertheless continues to focus on reports of friction between the two camps, the theory being that from his eyrie headquarters overlooking the Royal Palace (and for that matter the offices of Générale de Belgique) Frère is trying to strengthen further his lever over the group.

According to many analysts, though, the ultimate prize is not so much Tractebel but its 10 per cent stake in Petrofina, a company for which Frère is known to have developed a keen fondness, and in which he and associates are already

thought to control about 15 per cent. Given the dominance of the two major shareholders, analysts say it would be highly risky (and thus unlikely) that an independent third party is involved. One name widely mentioned is Banque Paribas, the French investment bank which has close ties with GBL through another Belgian holding company, Cobepa, and whose French rival Compagnie Financière de Suez is now, after the upheavals of this year, the majority shareholder of Sociétés Générales de Belgique. Conversely, another strong counter-suggestion is that a "Suez ally" - perhaps the French water company Lyonnaise des Eaux - is involved.

The Tractebel "effect" - or lack of it - will no doubt continue to be vital to the performance of the market over the next few days. As Marc Debrouwer of stock brokers Petram points out, however, it is worth remembering that Brussels' current strength is based on a broader wave of expectation arising from the new management at La Générale (and plans for shaking up its many quoted affiliates), the liquidity released by that titanic takeover battle, and the generally good outlook for industrial and commercial company profits and earnings for the rest of the year. The lack of disclosure rules is also playing its part.

Tim Dickson

WALL STREET

1966 and all that

AS WE approach the anniversary of Black Monday, there is one thing at least to celebrate: 1987 was definitely not 1929. Unfortunately, the evidence is mounting that it was not 1962, either.

For the many bulls still left on Wall Street, the year 1982 carries the same symbolic significance as does the year 1929 for the bears: it was in early 1962 that the Dow Jones Industrial Average suddenly collapsed by 27 per cent between January and June. The crash of 1962 did not precipitate a recession or any other economic setback and Wall Street's losses were made good in about nine months.

Three years later, the Dow had almost doubled and the economy was still expanding

steadily seven years after the mysterious 1962 market break. The bulls have argued since October that Black Monday might end up being little more than a repetition of the mysterious 1962 market break.

Unfortunately, one serious flaw has always been apparent in the attempt to draw a parallel between last year and 1962: 1962 was only the second year of the great economic expansion of the 1960s, while Black Monday occurred nearly five years after the end of the recession of 1962.

This huge cyclical difference has now been supplemented by another, even more striking contrast between the two market setbacks. In 1962, investors rapidly recovered their enthusiasm and started pushing

prices steadily higher. Today, almost a year after Black Monday, the enthusiasm on Wall Street shows little sign of being ready for any such decisive move.

However, there is another historic comparison which seems to have escaped Wall Street's attention among all the hallyhoo about 1962 and 1929. The real analogue to 1987 in the 1960s was not 1962, but the year 1966.

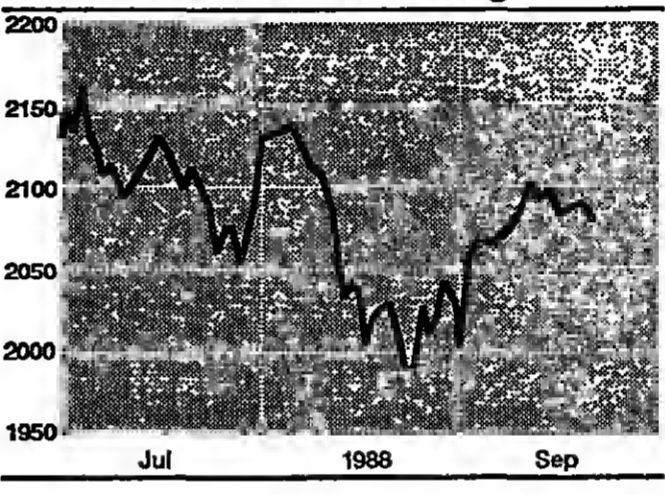
Although Wall Street has now forgotten this amid the generalised nostalgia for the 1960s, the great bull market of that decade actually peaked as early as February 9 1966. The Dow fell 25 per cent in the six months that followed - a setback very similar to the stock market's decline between the

spring and autumn of 1987, if the brief and obviously speculative spike of July and August is left out of account.

In common with the retreats of 1962 and 1987, the 1966 bear market precipitated no immediate recession. Beyond that, there is a clear parting of the ways, with the hip of 1962 on one side and the much more serious bear markets of 1966 and 1987 on the other.

The 1966 bear market began four years and 11 months after the beginning of the great expansion of the 1960s. Dating the start of the 1987 retreat to August 1987 puts it four years and nine months after the official end of the last recession in November 1982. Just like Black Monday, the 1966 bear market was the second major decline

Dow Jones Industrial Average



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of the economic cycle. The first such decline in the 1960s was the crash of 1962. In the 1980s it was the 16 per cent fall in the Dow between January and June 1984. And both of these brief early-cycle corrections

occurred at uncannily similar points - in 1962, the market turned just 11 months after the expansion started, while in 1984 the lag was 13 months. More striking even than these purely chronological

analogies are the macroeconomic policies and conditions behind the two bear markets in 1966 and 1987. The US economy in 1966 had been growing strongly for five years and was decelerating as it approached capacity limits. Inflation was creeping upwards, but only slowly, and the trade and budget deficits were chronic causes of concern because of President Johnson's refusal to raise taxes to finance the Vietnam War.

Consider now what happened after the 1966 bear market. The US economy continued growing until December 1969. But as it grew, inflation accelerated, at first only slowly, and in the end the Federal Reserve Board was forced to tighten monetary policy, not only to preserve price stability, but also to defend the dollar.

The resulting recession was not disastrous for the economy, but equity investors fared very poorly in the wake of 1966. The market break in 1966 was followed not just by one

year, but by three years of listless trading with no real trend or direction. In fact the Dow spent all of 1967, 1968 and 1969 within the range defined by the highs and lows of 1966.

When the breakout finally did come it was definitely on the downside. When signs of an approaching recession became unmistakable in late 1968, the market began declining. It fell 36 per cent before finally hitting bottom in May 1970, some six months before the end of the recession of 1969-70.

It took until 1974 for the Dow to break through the high point of 1966 set on February 9 1966. Eight years was a long time to wait.

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Thursday	2080.01	- 10.49

Anatole Kaletsky

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No. 3 IN A SERIES OF 6

**FINANCE & THE FAMILY**

Richard Lambert discusses the tricky decision facing Lord Young

**M & G prepares its battleground**

M & G, Britain's largest unit trust group, is under siege. Decisions taken by the Government in the next few weeks could determine the future shape and character of a business which manages £5.5 bn of savers' money.

Bond Corporation, the Australian company run by the swashbuckling entrepreneur Alan Bond, has lifted its shareholding to just over 12 per cent and is thought to have been in the market for more over the past few days. A month ago, it applied to the Department of Trade for the approval it needs under the 1982 Insurance Companies Act to lift its shareholding to over 15 per cent.

For M & G, this was tantamount to a declaration of war. Mr Bond says he only wants to take his shareholding to 20 per cent, and he would have very little chance of success with an outright bid. According to Paddy Linaker, M & G's managing director, holders of nearly 50 per cent of the shares in the UK group will support the existing management through thick and thin.

But, he adds, it is not in the nature of Bond to take a long-term holding in a company and then to leave it to its own devices. He fears that Bond Corporation would seek to influence the management and investment policy of M & G in a way that would be diametrically opposed to its existing philosophy. Bond has a controversial holding in a company and a record of successful wheeling and dealing. M & G, by contrast, has built its very successful record on a highly conservative investment style. Among other things, it has a marked distaste for big conglomerates and corporate raiders. It likes to buy significant

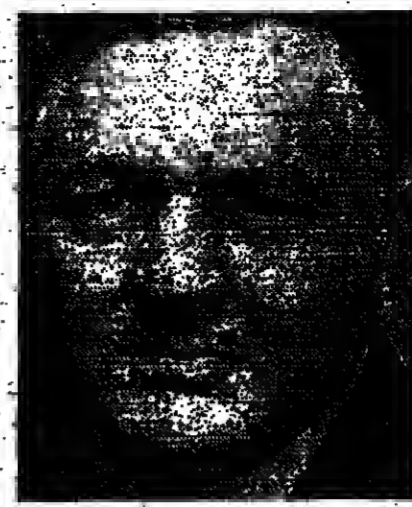


Opponents: Paddy Linaker (left) and Alan Bond

stakes in small to medium sized companies, and tend to stay close to the management. It would rather turn ailing company round by helping to change the management than by looking for someone to take it over.

In the long debate about the dangers of short-termism in the City, M & G has been on the side of the angels.

M & G has submitted an inch-thick file to the Department of Trade about why Bond Corporation is not "fit and proper" under the terms of the Act to take over a company which has an important insurance business. Lord Young, the Secretary of State has considerable freedom to interpret the law



as he sees fit. However, it would be a remarkable slip in the face for the Australian company to be turned down. Despite its racy image, it is now a business of great size and power.

Bond could hardly be rejected simply because his management style is quite unlike that of the existing M & G board.

But there are broad interests at stake in this affair. First, there are the savers. M & G has over 490,000 unitholders, accounts outstanding, as well as £23,000 insurance policies and 72,000 savings plans. This army will not have any direct say in the outcome: policyholders, unlike shareholders, do not have

any votes. But if they felt strongly enough to write to their MEs, or directly to Lord Young, they could certainly have an indirect influence.

Then there is M & G's position as a major investor to consider. Its funds have in no less than 170 UK companies, all of which have an interest in the way that the group is run.

There can be little doubt that the British business establishment would prefer M & G to retain its present character. Indeed, it is just conceivable that Bond is teasing the City. After all, he did not have to go public with his wish to increase his shareholding to over 15 per cent. Perhaps he persuaded his high profile approach to persuade M & G's powerful friends to pay him lots of money to go away.

Meanwhile, officials at the Department of Trade must be getting close to the point of completing their investigations and making their recommendations to Lord Young. His decision will, as much as anything else, be a political one. On the one hand, the Government is quite rightly - and anxious not to interfere in the workings of the marketplace unless issues of competition or financial prudence are at stake.

On the other hand, M & G is not like a manufacturer of chocolate bars or of machine tools. A large number of its customers are tied in by long-term contracts. It has a significant investment in important sections of Britain's manufacturing industry, and it has proved itself to be a successful and responsible shareholder over the long term.

This could be a tricky one for Lord Young.

**Protection policies**

is unwelcome, incompetent, or irresponsible?

Under the law, it is up to the Secretary of State for Trade and Industry to bar the door to undesirable insurance companies. The Insurance Companies Act of 1982, as amended by the Financial Services Act of 1986, says that any individual or company which buys more than 15 per cent of an insurance company is deemed to be a controller of that business. And the Trade Secretary has to make sure that any buyer who is not "fit and proper" is kept out of such a position.

The meaning of the words "fit and proper" are nowhere defined, and the Trade Secretary is not obliged to explain why he has given someone the thumbs down. Considerations would include the buyer's personal history (a prison sentence would be a definite black

mark) and the financial health of the acquiring company.

There is no process of appeal to anyone outside the Department, unless the civil servants can be shown to be guilty of maladministration.

In practice, however, the Department would explain why someone was being turned down, and give him a chance to respond. Moreover, the process of approval has to be finished within three months, which limits the amount of detective work that civil servants can do.

In the case of unit trusts, the rules are much more perfunctory. If someone buys more than 15 per cent of a management company, the self-regulatory body concerned has to be notified - and can object if it thinks the business could be damaged by the connection. But the impression is that a

buyer would pretty well have to have arrows on his suit before he ran into objections.

The question is whether clients deserve greater protection, especially about the locked into life assurance contracts. Giving them any direct vote in the matter would be extremely difficult. In a takeover, shareholders really only have to decide about the price. But policyholders would have to make much more subjective judgements about the relative merits of two different managements, on the basis of very little tangible information.

It would also be difficult to judge the fair balance to be set between shareholders' and investors' voting powers.

Another idea is that policyholders should be given the right to vote with their feet. If they were worried about the

takeover, they should be allowed to switch their investments to another institution - with the costs being carried by the acquiring company.

The trouble with this is that it would make it practically impossible for anyone to take over a badly run, poorly performing business. A potential acquirer would have to reckon with the thought that policyholders might be only too pleased to take their money and run.

At least as far as insurance companies are concerned, it is hard to come up with a better way of protecting savers' interests. The Department of Trade's powers ought to be adequate for the job - provided that there are both the resources and the political will to exercise them properly. There is the rub. To judge by the example of the Barlow Clowes disaster, this degree of supervision cannot be taken for granted.

R.L.

**Merger row rumbles on**

The merger document must spell out the answers to these questions, and in detail.

Since AMP appeared on the scene, it has been apparent that the London Life board and executives have excluded any other solution. AMP executives have already been brought on to the London Life board, including the latest appointment, Mr Andrew Wakeling, as deputy chairman.

These appointments, ahead of the merger going to a vote, have infuriated many policyholders, who feel that the board of London Life regard the merger as a fait accompli.

The announcement of the merger was made at London Life's annual general meeting in May. The news stunned those policyholders at the meeting. But now that the shock has worn off, certain policyholders have joined forces to ensure that the merger does not take place on the nod.

Many policyholders, primarily for sentimental reasons, want to see London Life continue on its own. London Life

has always emphasised that this is not a rescue operation. If this is so, then many policyholders cannot understand why there needs to be a merger.

This view has been reinforced by rumours emerging from within London Life that a full net premium valuation would show the company in a reasonably strong financial position.

Policyholders have been meeting with Kletwort Benson, the merchant bank which acts as advisers to the merger, and a statement issued on Thursday claims a broad exchange of views, with suggestions from the policyholders on the contents of the documents.

In particular, policyholders want a clear statement from AMP on how it intends to run a merged organisation and on the safeguards to be offered them.

AMP has so far been extremely uncommunicative about the merger. It is understood that its legal advisers felt

that AMP should say nothing until after the merger document had been published. So, hopefully, the company will be communicative next week.

The policyholders' ginger group is reserving judgement until it has studied the document. Then it will make a further statement. Other policyholders should take a similar line.

One hopes that London Life will not bury policyholders in a welter of technical detail without including, at least, some simple summaries. But among

those policyholders there are a number of actuaries, who should be able to express a professional view.

Finally, they will be wanting to know if London Life considered demutualisation and, if not, why not. There are plenty of institutions, UK and overseas, looking to acquire a suitable UK life company and willing to pay high prices.

Demutualisation would give policyholders the chance of a once-off cash payment, though foregoing part of future profits. The ginger group, apparently, has not even considered this route.

Eric Short

**Caution rules**

SUSTAINED caution about the UK equity market, and an appreciation of the merits of small company shares, lead investors' comments from major investment management houses this week.

Legal & General Investments' Mike Payne, director of

investment strategy, maintains last month's cautious line in "Fundamentals", the company's newsletter.

He says that the cautionary note sounded in August was fully justified, and that in L & G's view the market is unlikely to make strong headway for the rest of the year. "Indeed," he says, "forecast for 1989 corporate profit growth have already been revised down well into single figures."

Meanwhile, Save & Prosper note that, this year, smaller company shares have outperformed their bigger brothers, with the Hoare Govett Smaller Companies Index increasing by 15.1 per cent to September 1 against a 4.7 per cent gain in the FTA All-Share.

Save & Prosper's own Smaller Companies Growth Fund saw its unit offer price increase by 30.8 per cent in the same period, top performance in its sector, and S & P investment director Chris Tracey still sees possibilities among the minnows.

Many people felt that smaller companies would be the most badly hit by the week's crash," he said this week. "This, however, has been far from the case. The stock market has been attracted by their superior earnings growth and, with current low levels of activity in the market, their



Chris Tracey, investment director of Save & Prosper

share prices have proved significantly less volatile than large capitalisation stocks.

"Although we do not expect the level of outperformance experienced this year to continue in the short term, we do expect smaller companies to continue to prove very attractive investment opportunities," Mr Tracey continued. "They are often more adaptable than their larger counterparts and so can operate in niche markets and in the strongest growing sectors of the economy."

William Cochrane

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- \* Investment made before 27th October will be eligible for "carry back" BES relief.

The subscription list is now open and will close not later than 25th October 1988 (unless extended prior to that date).

This advertisement does not constitute an invitation to subscribe for shares. For further information and a copy of the full prospectus and application form, please telephone Amanda Fowler or Judy Cracknell of Capital Ventures on (0242) 584380 (24 hour answering service).



FINANCE & THE FAMILY

Fiona Thompson reports on the Great Investment Race

Pru regains the top spot

IT'S ALL CHANGE at the top of the Great Investment Race as the competitors head into the final quarter. Cazenove has been topped from first place into third and the Pru has regained the lead...

£2,000 FTSE futures dealings added another £2,000 and the market value of a General Oriental Investment stake increased by £2,000. Claire Nowak at Henderson Administration, the independent fund management group...



THE GREAT INVESTMENT RACE

Talk about tantalisingly close: the two competing Japanese securities houses, Nomura and Daiwa, are separated by only £36. Nomura is fourth with £118,496 and Daiwa fifth with £113,460. Nomura did not deal at all in the month, recording a £3,500 fall simply because of a drop in the market value of its only stock...

The UK market has caused gloom and doom. David Kidd of Capital House, the investment management arm of the Royal Bank of Scotland... The Hoare Govett team, eighth with £68,986, also achieved a fall...

Table titled 'GREAT INVESTMENT RACE HOW THEY STAND' listing fund names and their values.

William Cochrane outlines the ambitious plans of BES companies Taking a bite into Europe

JOHN BROUGHTON lives in a house named Skew-Whiff in Newbury, Berkshire, and thinks the phrase could just as easily be applied to the BES scene which, in recent weeks, has been dominated by the flood of assured tenancy ventures...

Roger Bowes, formerly chief executive of Mirror Group Newspapers and later of the Express Group of Newspapers, is executive chairman of the North West Times, which was launched on Tuesday this week as a quality morning newspaper to serve the north-west region of England...

The fund's investments, as with previous schemes, will be managed by Hodgson Martin, the Edinburgh-based venture capital specialist. Together, Abbey and Hodgson Martin were the second-largest BES fund managers last year, raising £5.2m through two syndicates...



tors feel this is an ideal time for investment in Scotland, where house prices are beginning to rise after lagging behind the south-east of England for several years. Minister Trust (01-633 1050) is sponsoring both a Scottish residential property investment fund, Grampian Assured, and its own fourth BES fund...

Now unit trusts eye 1992

UNIT TRUST marketing managers have discovered a fresh sector in which to launch their products - 1992. The publicity surrounding the concept of a single European market, scheduled for 1992, is an advertising man's dream.

Eric Short on an advertising man's dream. The management groups argue strongly that investment concepts are different. European trusts essentially were orientated geographically...

ing, UK, Accor (hotels, France), Allianz (insurance, Germany), Flex (beds, Spain), Fiat (motors, Italy) and Wagons-Lits (leisure, Benelux). Tyndall has adopted the charging structure of a low initial fee of 5.25 per cent and a high renewal of 1.75 per cent...

FIDELITY 1992 EUROPEAN OPPORTUNITIES

1 market. 12 countries. 320 million customers. A once-in-a-lifetime opportunity. A momentous economic event. Proven expertise in Europe.

"1992" is shorthand for a potentially momentous economic event - the creation of the single European Market. It also stands for a once-in-a-lifetime investment opportunity. Indeed, the signs of a new resurgence are already apparent...

Advertisement for MIM & BRITANNIA JERSEY GILT FUND LIMITED. Features a large '12.6%' interest rate and details about the fund's structure and investment goals.

Advertisement for Fidelity 1992 European Opportunities. Includes a coupon for a fixed price offer, details about the investment opportunity, and contact information for Fidelity.



FINANCE & THE FAMILY

# Estate chain sets up life arm

FROM THE beginning of next month, a new life company will appear on the mortgage scene: Hambro Guardian Assurance launched by Hambro Countrywide, one of the bigger estate agency chains in Britain.

The mortgage market is now a very important source of new business for life companies. Whether or not it is the best decision, the majority of house-buyers use an endowment policy from a life company to repay their mortgage, while the use of a pension contract for this purpose also is growing.

Hambro Countrywide also finds that in more than one-third of house sales, the buyer uses the estate agency office to arrange the mortgage. Other agencies record a similar experience.

Put these factors together and it is apparent that estate agents are not just profit centres in their own right but also are a steady source of new life business, with a significant captive market.

Until now, Hambro Countrywide, owned 51 per cent by the merchant banking group Hambros, has been a representative of Guardian Royal Exchange under the financial services regulations, and sold that company's mortgage-related products.

Now, people buying their new house through Hambro Countrywide will be offered the products of the new life company, Hambro Guardian Assurance.

Buyers are not forced to follow the estate agent's recommendation on the method of mortgage repayment. And if they do opt to use a life or pension contract, they are not obliged to use the life company recommended.

Building societies and many other lenders have a panel of life companies, the policies of which they are prepared to accept. These include all the household names. Borrowers can select the company from this panel.

Hambro Guardian Assurance is a joint venture by Hambro Countrywide and Guardian Royal Exchange with £40m in paid-up capital, so there should be no problems over solvency, and GRE is handling the administration under contract.

Besides a range of unlinked contracts, Hambro Guardian Assurance is offering with-profits life and pension contracts - products that a life company starting from scratch usually cannot offer because of the financial strain.

But, the new company is re-assuring its with-profits business with GRE and will be paying GRE's bonus rates. About one-third of Hambro Countrywide's housebuyers using the company's recommendations still prefer a with-profits contract.

Eric Short

## A TOTALLY NEW BES INVESTMENT OPPORTUNITY FROM SUN LIFE.

### THE STABILITY OF BRICKS AND MORTAR



#### WHAT IS THE SUN LIFE BES FUND?

BESRES is an arrangement which enables you to invest in shares of a range of Business Expansion Scheme companies. As such, it carries all the tax advantages normally associated with the BES. But, unlike Business Expansion Scheme funds set up in the past, the BESRES Fund will invest almost exclusively in residential property let on assured tenancies.

The key advantage of these assured tenancy investments is their ability to generate a rental income related to market values. The old Fair Rent restrictions are abolished for new tenancies. Furthermore, investments will be managed paying particular regard to the general desire of investors to be able to realise their investment at the end of the 5 year investment period.

Overall, the BESRES Fund offers a "bricks and mortar" investment opportunity which is likely to be a significantly more secure proposition than has frequently been the case with past Business Expansion Schemes. As such, it is likely to have a particular appeal to serious investors in the current investment climate.

#### FEATURES OF THE SUN LIFE BESRES FUND INCLUDE:

- Investments effectively backed up by "bricks and mortar" assets, likely to make the Fund more stable than has traditionally been the case with Business Expansion Schemes.
- Investments spread over at least 4 BES companies and a range of properties in order to reduce risk even further.
- Property investments selected on account of their rental income and/or high disposal value potential.
- Management of the Fund controlled by Sun Life Investment Management Services Ltd, who are responsible for management of over £5,000m of Sun Life Group's assets.
- Substantial property management expertise will be provided by Sun Life Properties Ltd, who already manage Sun Life's property investments of over £700m.
- Minimum investment only £2,000.
- Closing date, noon 26th October '88 or earlier if fully subscribed.

### THE ATTRACTION OF RESIDENTIAL PROPERTY

### THE BONUS OF TAX CONCESSIONS INCLUDING ABILITY TO DATE BACK TO 1987/88

#### HOW TO OBTAIN FULL INFORMATION

To find out more about this very special investment opportunity, backed by the substantial Government tax concessions now, fill in the enquiry coupon below and post it (no stamp needed) to the address shown. We'll send you your full information pack by return, and no salesman will call upon you as a result of your enquiry.

Remember, this is your opportunity to introduce a stronger property bias to your existing investment portfolio - and benefit simultaneously from major tax benefits.



The uncertainty of world stockmarkets over the past 12 months has caused serious investors to re-assess their established portfolios. And most now recognise the need for a considerable degree of investment caution. At the same time, the attraction of any investment with substantial tax advantages remains as strong as ever.

Now, following the 1988 Finance Act, Sun Life has developed a new plan likely to have particular appeal to those investors - the BESRES Fund - which offers:

- Basic and higher rate income tax relief on your investment.
- No capital gains tax when you sell after 5 years.
- The extra security of a "bricks and mortar" investment.

**CLOSE DATE**  
NOON 26th OCTOBER 1988  
OR EARLIER IF FULLY SUBSCRIBED

**FOR EVEN FASTER SERVICE**  
To ensure you receive full details of the new BESRES Fund as soon as possible - visit in view of the 26th October close date - you can telephone our special BESRES Service Line (free phone) on **0800 400431**.

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"The Business Expansion Scheme has been a great success in the portfolio of any sophisticated investor for the last few years. The relief on good investment opportunities in the form of residential property is a welcome change of emphasis in the current market." FT 17.8.88

**URGENT PHONE (24 HOURS) 0800 400 431**

(1) The Managers of the BESRES Fund are Sun Life Investment Management Services Ltd, 107, Chesapeake, London, EC2.

(2) The BESRES Fund is an approved fund under the Taxes Act 1988.

(3) Investments in unquoted companies carries higher risks as well as the chance of higher rewards.

(4) This advertisement is not an invitation to purchase or subscribe for shares. Every investment must be made on the terms of the Prospectus.

(5) All statements made regarding tax relief are based upon current levels and rates of taxation which may change. Actual relief received will depend upon the investor's personal circumstances. Selected BES companies are subject to normal corporation tax legislation.

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**021 200 1142 Weekends only**

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## Funds that need knowledge

### EXPATRIATES

#### Amanda Pardoe discusses how to select the right one

OFFSHORE fund selection is no easy task. There are more than 1,000 spanning over a dozen investment sectors, ranging from international equity funds to those investing in specific markets such as Australia, Hong Kong, Japan and North America.

The choice is complicated further by the currency factor: how do you compare a fund denominated in dollars with one denominated in sterling or Swiss francs? The answer is to convert the funds into a common currency. Even then, the trouble is that favourable exchange rate fluctuations can hide poor performance by investment managers and, conversely, unfavourable currency shifts may mask good management performance.

All the same, the numbers produced by OPAL statistics (below) are revealing. Expressed in dollars, they show a substantial difference in performance between the various sectors, and also between the best and worst funds within each sector. So, investors must aim to pick not only the right investment sector, but also the right fund.

This is illustrated by the figures for the one-year period to September 1. The Far East and Pacific funds produced not only three of the best results but also two of the worst. At one end of the scale, a \$100 investment in the Formosa fund increased to \$292.2. At the other, \$100 in Gartmore's FEL Oriental Ventures fund fell to just \$42.3.

The Australian sector produced the worst-performing fund over one year in the shape of Gartmore CSF Australasian. Although none of the Australian funds ranked among the top overall performers for the period, the best in the sector, the First Australia Prime Income Investment, achieved a 15.4 per cent increase. On the basis of these figures, investors would have been better off with the best Australian fund than with the worst Far East and Pacific one.

The same message is seen in the performance of the Far East and Pacific funds over a three-year period. Here, the Taiwan ROC and JF Philippine funds each produced a handsome return for investors. On the other hand, the Thomson HK and China Gateway fund managed to increase a \$100 investment by only 16.4 per cent over the same period.

For those investors who lack the confidence, or have neither the time nor the expertise to make their own market selections, there are almost 90 international mixed funds.

The attraction here is that the managers decide on the geographical spread of the portfolio and also the combination of equities and fixed interest securities. As a general rule, on the performance front these funds neither achieve the spectacular gains, nor suffer the disastrous losses, that are often recorded by the specialist

Performance as at September 1, 1988  
US \$ 100 with income reinvested, offer to offer price basis.

Overall	3 YEARS	3 YEARS	
	Fund/Sector	Fund/Sector	
<b>BEST 1 YEAR</b>			
Formosa/Far East & Pacific	292.2	Taiwan ROC/Far East & Pacific	621.1
Adler Financial/commodities & natural resources	255.5	JF Philippine/Far East & Pacific	553.2
Adler Future/commodities & natural resources	238.7	Adler Financial/commodities & natural resources	482.0
Taipei Fund HAY/Far East & Pacific	221.4	Adler Future/commodities & natural resources	455.7
Taiwan ROC/Far East & Pacific	216.6	JF Japan/Japan	435.8
<b>WORST 1 YEAR</b>			
Gartmore CSF Australasian/Australia	37.0	Brazil Fund/Int'l equity	16.0
Thomson Eastern European/Int'l equity	41.5	Forbes Strategic Trading/Int'l American equity	51.2
Thomson Kangaroo/Australia	42.2	Alliance Chemical/Int'l equity	58.4
Gartmore FEL Oriental Ventures/Far East & Pacific	42.3	Dunin & Hargitt Commodity/Commodities 7 hat int	66.4
Thomson HR & China Gateway/Far East & Pacific	42.8	Schroder Capital US/Int'l American equity	71.4
<b>International mixed funds</b>			
<b>BEST 1 YEAR</b>			
Henderson PMS Stg High Income	112.0	Cornhill Int'l Mgd	212.8
Hill Samuel CIFO	110.2	Govett Int'l Mgd	203.6
Transatlantic Income	103.8	RBC Int'l Capital	194.5
<b>WORST 1 YEAR</b>			
Gartmore FEL Mgd	61.5	Ermingo External	129.9
Aetna Global Mgd	62.8	Providence Cap Swiss Franc Mgd	135.2
Providence Cap Swiss Franc Mgd	66.1	Hill Samuel CIFO	140.8

### Bridge

Here is a hand from rubber bridge in which the declarer showed great patience before taking a vital decision:

At game-all, North dealt and opened with one club. South replied with one heart. North rebid three hearts and South, despite his weak hand, is encouraged by his fit with his partner's suit and bids four. West led the diamond queen, covered by dummy's king. East won and the diamond return was ruffed in hand.

An average player at once finesse the queen of hearts and disaster ensues; but this declarer, a seasoned campaigner, did not touch trumps until the situation in spades was known. At trick three, he led a spade toward the table.

West rose with his ace and led another diamond, which was ruffed in hand.

Having found the ace of spades placed favourably, South now planned a safety play in trumps. He could afford to lose only one trump, so he led a heart. Dummy's ace and East's king dropped. He cashed the queen and then ran the clubs, leaving West to make his master trump when he wished.

Suppose East has the spade ace, you say: what then? In that case, declarer must assume that trumps are 2-2, with the king in West's hand, and play to score five tricks in the suit.

E. P. C. Cotter

The issue of this advertisement has been approved by Lawstone Limited, sponsor to the British Association of Independent Investment Managers, for the purposes of Section 57 of the Financial Services Act 1986. It does not constitute an offer of shares in any company or any other financial product in the Company, which can only be done on the basis of information contained in the Prospectus. Prospective investors are strongly advised to consult their investment adviser about the suitability of BES investments and the amount (if any) of tax relief they can obtain under the BES.

**PATRICIA WIGAN PLC**  
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For a copy of the Prospectus, contact: Lawstone Limited at 8 Beakwall Place, London SW1E 6TX. (Telephone 01-432 9633)

**THE ASSOCIATION OF INDEPENDENT INVESTMENT MANAGERS**

At the Annual General meeting of AIIM on Wednesday 14th September 1988 the members present unanimously agreed that the Association should cease its regulatory role.

The AIIM members have become members of IMRO (the Investment Management Regulatory Organisation).

AIIM remains in being as an Association for Independent Investment Managers to represent their interests and to promote the safeguards thought beneficial for their clients.

**1500 PRIZES TO BE WON IN THE INVESTMENT MAGAZINE ON SALE AT YOUR NEWSAGENT NOW!**



FINANCE & THE FAMILY

# Unprotected species

My employer has recently introduced a business expense system which requires the employee to obtain a charge card (not a credit card) and make all purchases against this card including hotel bills, airline tickets, entertainment, petrol etc. The card is issued in the name of the employee and all charges are for her personal account although the employer's name is on the card.

At the end of the month, the employee is responsible personally for paying the account although, in the meantime, she normally would have claimed her expenses and, presumably, would have adequate funds to meet the bill.

To what extent can an employer oblige a member of its staff to incur very substantial costs (possibly thousands of pounds) on its behalf without explicit written and prior approval? To what extent is the employer enjoined with the cardholder by insisting that its name is on the charge card?

How should an employee protect herself against the possibility of the employer refusing to reimburse an expense, while being obliged to pay the account?

If the charge card is designated to be used for expenses (ie, items which the employee has previously and would normally be expected to pay out of his or her own pocket and be reimbursed for later), there would seem to be no objection in principle to the practice you describe. The only remedy is to negotiate, or renegotiate, a contract of employment which specifically prohibits or limits the practice, or, better and more realistically, providing for a "float" to be provided by the employer placing a stated amount into the account at the outset.

## Capital idea

I shall be retiring next year at the age of 61 and I need to boost my income from pensions by £4,000 (net of standard tax) until I reach age 65. As the cost of an short-term annuity - four to five years - is based on age and actuarial statistics, is there anything to be gained in "shopping around"?

We would not think that there is very much point in

buying a four-year fixed term annuity to take you from age 61 to age 65 when you start to draw your state pension. All an insurance company would do would be to return your capital plus interest, but it would have to take its own charges.

If you have the capital, you would probably do better by putting it on deposit and drawing out £4,000 a year as spending money.

## Latin poser

With reference to a reply in *Brilliance* ("Root of All Evil," July 9), I would be grateful if you would translate for me the Latin quotation used - "vulenti non fit injuria." I realise that I am probably one of the small number of FT readers familiar with only a smattering of Latin quotations, but hopefully you will be happy to enlighten my ignorance.

The phrase means: No injury (ie, legal wrong) is done to someone who willingly (undertakes the risk).

## Cottage transfer

I bought a weekend cottage in 1978 for £9,250. It is now worth £75,000 to £80,000. I am 75 and am considering transferring ownership of the cottage to my three daughters with a view to reducing inheritance tax.

I am aware (a) that capital gains tax is payable on disposal of a second home, and (b) that inheritance tax is payable on a gift unless the donor survives seven years.

Can these taxes be avoided if I sell the cottage to my daughters for £9,250?

We take it that you have exercised your right (under section 101(5)(d) of the Capital Gains Tax Act 1979, formerly section 23(7)(A) of the Finance Act 1965), to nominate your house as your main residence for CGT purposes.

Be that as it may, you can avoid a CGT charge by inviting your daughters to join you in a claim for holdover relief (under section 79 of the Finance Act 1980) provided they do not pay you anything for the cottage. The solicitor who acts for you

in the conveyance to your daughters will be able to guide you through the CGT and inheritance tax maze.

## Tracing a bad smell

The waste pipe of my kitchen sink gives off an unpleasant smell. I had the pipework replaced, to no effect. The plumber confirmed my belief that the smell is coming from the sewer.

In your opinion, where does the responsibility for dealing with this problem lie? Should I approach my local council or water board, or do I have to go to a private firm at my own expense? I am an owner-occupier.

You might need to enlist the assistance of the water authority. It could transpire that any defect lies in the drain connecting to the sewer, in which case you (and any other common

How can average players, with limited time for study, best hope to improve their games? A promising method is to take a top grandmaster as a role model, buy a book of his collected games and copy his opening repertoire and strategic plans. This approach has worked for many players, even at expert level.

When an unknown Scot, Robert Combe, emerged from Aberdeen to win the British championship as a rank outsider in 1946, he attributed his success to basing his style on the classical strategist, Rubinstein. Two Soviet grandmasters, Balashov and Peckhis, went through the complete games of Bobby Fischer and learnt most of them by heart.

Not every top player is an appropriate model; world champion Gary Kasparov's game is too complex and rich tactically to understand easily, dependent as it is on deeply-researched opening fitnesses. Better to go to the clearer styles of Karpov, Spassky or Fischer; while, a generation back, the collected games of Botvinnik, Alekhine or Capablanca all provide excellent teaching manuals.

As Britain's challenge to the USSR's position as top chess nation continues to strengthen, UK grandmasters have developed individual and pragmatic styles that can be worth following. It also helps motivation if your role model is a contemporary

player you can watch in action.

The best choice, in my opinion, is John Nunn, triple gold medalist at the 1984 olympics, whose direct opening lead to lucid and strategic middle games that reflect his background as a first-class mathematician. Nunn's book, *Secrets of Grandmaster Play* (Batsford, £8.95), a collection of 24 games co-annotated by Peter Griffiths, explains his techniques in detail.

At the very highest levels of chess, however, the role model approach is not enough. A budding champion needs to be eclectic, to take ideas from a variety of sources and to develop his own individual approach.

Michael Adams, the 16-year-old who has just won the Lloyds Bank and NatWest Internationals, used to be compared in style with Nigel Short. Short himself, after beating Adams with some difficulty in the 1987 Kleinwort Benson British championship, described his young opponent as a "Short clone." But, as this week's game shows, Adams has absorbed the ideas and techniques of several great players. The outcome of this classic cocktail is an elegant classic sure to be published

# Q&A

## BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given to these queries. All inquiries will be answered by post as soon as possible.

owner) might have to pay for any repairs otherwise, you can expect the water authority to repair at its own cost.

## Surcharge on age

I am a totally blind person who receives extracts from the *Weekend Financial Times* from the Talking Newspaper Association.

I should be grateful if you could explain the ramifications of the age allowance in income tax, with particular reference to the "clawback"

provisions and the fact that, as I understand it, it is possible through this provision to pay an effective rate exceeding the 40 per cent which the Chancellor stated would be the highest rate anyone would be paying after his Budget for 1988-89.

Are there any ways in which this can be mitigated or avoided by planning? Can one "opt out" of the age allowance if that would help? Is the age allowance applied during the year in which the age of 65 is attained or for the following year, when one would be fully "of age"?

Age allowance applies from the year in which one's 65th birthday will fall; that is, anyone born before April 6, 1924, may qualify for age allowance for the present tax year. In the case of a married couple, either spouse's age may entitle the couple to age allowance, but this rule will change in 1990-91 (as we infer that you are not married, perhaps you may skip the complications for married couples).

The effective scale of income tax rates for a registered blind person born between April 6, 1909, and April 5, 1924, inclusive, is as follows:

The first £3,720 is exempt; the next £6,890 is taxable at 25 per cent; the next £263 is taxable at 41.657 per cent; the next £11,557 is taxable at 25 per cent; the rest is taxable at 40 per cent.

People whose marginal income is vulnerable to the 16 2/3 per cent age surcharge adopt various tax-avoidance schemes - eg, buying National Savings certificates; purchasing investments that produce no income but are expected to rise in price; charitable covenants; and bondwashing with gilt-edged securities on the National Savings Stock Register up to a total nominal value of £5,000.

It might well be that the 1989 Finance Bill will contain legislation aimed specifically at schemes devised to frustrate the imposition of the age surcharge - a levy which appears to have the support of nearly all MPs.

22 ... R-N1; 23 BrR, RrR; 24 NxB ch, QxN; 25 QzP, KR-N1; 26 P-R31

Fischer's 1967 win against Stein showed the value of this central advance in the Ruy Lopez, opening up the play for White's dynamically developed forces.

26 ... RzNp; 27 QzP, N-N4; 28 P-B4, B-N5; 29 RzP, Q-B2. Now comes an imaginative finish.

30 RxBN, R1xR; 31 PzP, Q-Q1; 32 P-Q1 RzBgna. Not waiting for QzP; 33 Q-B7! QzQ; 34 R-K3 mate - a tactical echo of the Capablanca classic featured in this week's problem.

BLACK (8 MEN)

WHITE (10 MEN)

PROBLEM No. 741  
Bernstein v. Capablanca, St Petersburg 1914. The archetype for the finish of this week's game; how did Capablanca (Black to move) force a win? Solution Page XXXII

Leonard Barden

## Chess

round the world.

White: M. Adams (England).  
Black: H. Westerinen (Finland).

Ruy Lopez (NatWest 1988).  
1 P-E4, P-K4; 2 N-RB3, N-QB3; 3 B-N5, P-QR4; 4 B-R4, N-B3; 5 O-O, B-E2; 6 R-K1, P-QN4; 7 B-N2, P-Q3; 8 P-B3, O-O; 9 P-RB3, N-QB4; 10 B-B2, P-B4; 11 P-Q4, N-B3; 12 P-Q5, N-R2.

An impressive number of grandmasters use the Ruy Lopez (3 B-N5) as a major weapon with the white pieces. Black's response at moves 11-12, diverging from the normal 11 Q-B2, is artificial. His knight is offside and the ensuing Q-side pawn advance creates weaknesses.

13 QN-Q2, P-B5; 14 N-B1, P-QR4; 15 N-R3, Q-E2; 16 Q-R2! N-B4; 17 P-QR4, N-B3; 18 Q-B1. Karpovian technique: the ex-world champion has several times used the manoeuvres Q-KB1, Q-K1-KB2, or Q-RN1 to exert long-distance pressure against black Q-side.

18 ... B-Q2; 19 N-B5, QR-K1; 20 PzP, RzP; 21 RxBN, PzB; 22 B-R4! Another modern concept: B creates scope for White's Q and R on the light squares, and soon wins a pawn.

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## BES - how do I choose?

The imaginary conversation set out below between two companies on the 7.15 a.m. train should not be used as the basis for making any investment which can only be done after reading the relevant prospectus. Prospectuses for the 3 companies mentioned below are sponsored by Chancery PLC, who have placed this advertisement. The tax aspects are based on current law.

**FIRST COMMUTER:** "Harold, why are there so many business expansion schemes now issues around?"

**SECOND COMMUTER:** "Well, Geoffrey, if people invest up to £10,000 by 26 October 1988, they can get up to 60% tax relief on half of their investment by carrying it back to last tax year."

**FC:** "What about these assured tenancy companies?"

**SC:** "People can invest in residential property investment companies which let the homes out to tenants at a market rent. They seem very popular, I suppose it's not surprising 100% 'bricks and mortar' investment with income tax relief (up to £40,000 p.a. maximum investment) and no capital gains tax on selling the shares after 5 years seems quite attractive."

**FC:** "HOW ARE YOU GOING TO DECIDE WHICH COMPANY TO INVEST IN?"

**SC:** "WELL, GEOFFREY, LOOK AT THE FOLLOWING CHECK LIST:  
1. DOES THE COMPANY HAVE PROFESSIONAL PROPERTY MANAGERS?  
2. ARE THEY EXPERIENCED IN SELECTING AND MANAGING SHORT TERM TENANTS?  
3. WILL THE PROPERTIES BE IN AN AREA WITH CONSISTENT AND SUSTAINABLE LONG TERM CAPITAL GROWTH? I AM NOT KEEN ON AREAS HAVING A ONCE-OFF CATCHING UP RISE IN PRICES."

**FC:** "What about these BES Funds, Harold?"

**SC:** "I am not so keen on them. They will suit some people who want to spread their risk over the country and over different companies. I don't like the idea of not knowing what area of the country my money will be invested in. I don't want to benefit only from average property price increases over the whole country. I'd rather pinpoint particular areas of likely growth; I'll do my own selection and spread my risk over different areas and different managements myself. Not all the BES fund documents seem to show who will select the tenants and manage the properties."

**FC:** "Any particular prospectuses you fancy?"

**SC:** "I quite like the two sponsored by Chancery - LONDON TOWN ASSURED PROPERTIES AND FIRST CAMBRIDGE ASSURED PROPERTIES. They meet my criteria."

**FC:** "But, Harold, aren't BES investments risky?"

**SC:** "Any unquoted BES investment carries a risk - that's why you get the tax relief. Property values could go down, Governments can change the housing laws. I don't expect to

be able to sell my BES shares for at least five years - but then I'm taking a five year view of the chance of house prices increasing."

**FC:** "Will people get bored with a stream of residential property companies?"

**SC:** "They could do, Geoffrey. Residential property companies have a limited downside but the upside is a bit restricted. I'm thinking of investing in ALBANY DEVELOPMENT & CONSTRUCTION. Its prospectus shows that it's an existing trading company backed by 'bricks and mortar' which has already raised over £2 million. The management seems good and they've got a £2.5 million order book with further prospects. I gather they hope to go public but I accept that their performance to date is not necessarily a guide in the future."

**FC:** "Well, Harold, you'd better act quickly - Don't forget to talk to your accountant or other financial adviser - I'm going to."

Please send me: FT249

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MOTORING

The booming cult of the collector

Stuart Marshall on the pros and cons of a business worth many millions of pounds each year

THERE ARE two reasons for buying a collectible car...

The Bugatti Royale which, some time ago, made the world's highest price for a motor car...

What, though, is a collector's car? One that is too good to throw away...



Collectibles on display: British Bentley-owners take time off for a rally in France

Leafing through old motoring magazines, you see advertisements for cars that today would be worth thousands but were then going for a song...

A car equivalent is the old-style Bentley. Thirty years ago it would have been hard to sell one for £500...

increase in value reflects surging demand. Although there is a lot of buying and selling of restored cars between traders and private buyers...

forgotten. One such is the celebrated Mercedes-Benz 500K found earlier this year, walled up behind a butcher's shop for a generation...

There are varying degrees of restoration. The cost of getting a coach-built car into safe working order...

When a vintage can be cheap

BUYING a collectible vintage car might cost a bomb but insuring it is cheap - much cheaper than for a modern car...

time being bottled into the inside lane. So, 3,000 miles could be more than you would want to drive your vintage car in any event...

than £200m and believes the market world-wide exceeds \$1bn. He knows of more than 350 specialist dealers.

that a spread of all classic cars has appreciated by more than 18 per cent compound, with better vehicles having gone up by more than 32 per cent.

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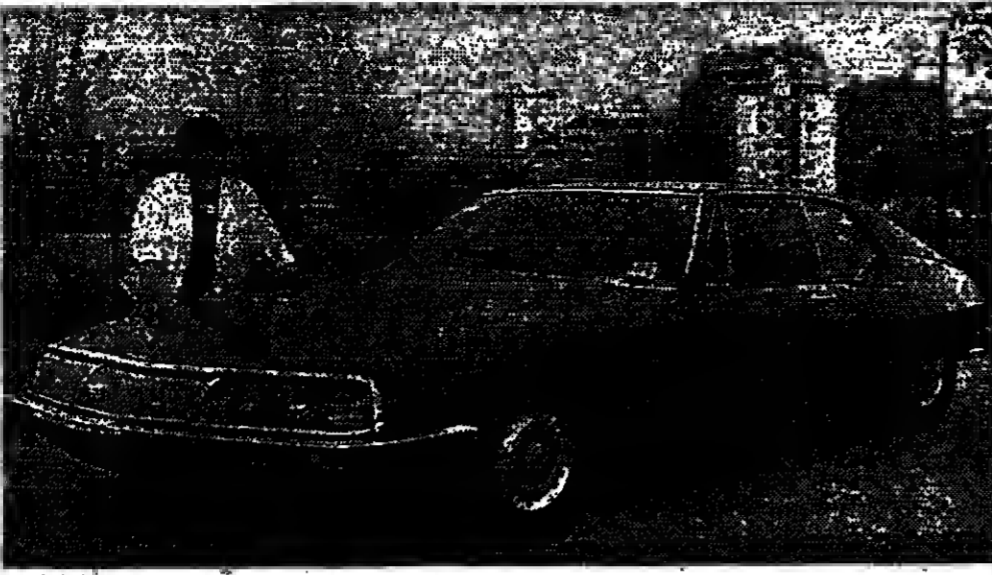


MOTORING

Love me, love my Citroën

Lynn Wilson chronicles an enduring affair of the heart

"FUNNY SORT of car for a woman to want," said the man from Diss in Norfolk. "Charming," said I, replacing the handset. I was halfway through my list of phone numbers gleaned from newspapers and specialist journals in pursuit of what I felt was a perfect match for me: long-legged for journeys to friends in Paris, powerful but docile in traffic, a comfortable 2+2 for the rare occasion when one needs seats as well as shopping, leather seats, generous luggage space, lots of neat stowage nooks under armrests etc. and power-everything - the Citroën SM. It even jacks itself up on its hydraulic suspension so punctures can be attended with ease. Why shouldn't I want one?



Lynn Wilson and her Big Bird: still together and still devoted

The Citroën SM (Serie Maserati) was developed during Citroën's ownership of Maserati from 1969-1975 and it combines elegant (and somewhat avant-garde) Citroën styling and comfort with a powerful and pedigreed V6 Maserati engine. My first acquaintance with Citroën's (then) flagship SM was in Paris in 1971 as I drove nervously up the Avenue Champs Elysee and was lodged firmly in the city's Friday evening rush-hour. My nervousness was not caused just by the traffic, the klaxons and the fumes but because I was just into my fourth kilometre of owning the SM's little sister, the GS.

I was alone and not entirely sure how I was going to get to Boulogne in time for my ferry, and I was sitting on the wrong side of the car to be 100 per cent confident of navigating the Place de l'Etoile. In my wisdom, I had elected to order a right-hand drive GS from the factory and to collect it myself. It seemed a good idea at the time. And it was for, having dispensed with the all-too-adjacent and amiable Frenchman alongside in his carton of a Renault 4, I found myself gazing into the Citroën showroom midway along that famous boulevard, straight at six beguiling headlights under a gleaming glass fairing. I'm sure the earth moved although, upon reflection, it probably was the pumping of the GS's hydraulic suspension.

My revolve was snatched by the honking horn behind and the panicked realisation that all around were moving; in the

end, I made it to that ferry with 10 minutes to spare. There was no time to investigate what lay behind that sleek visage before despatching the GS to the United States where we would join my husband in Boston for a year.

However, zooming along the Massachusetts Turnpike one day, I looked in my rear-view mirror to see the headlights flashing on a white SM. The driver waved and indicated he wanted me to pull over. Being five feet nothing, a wisp of a girl, nothing short of a flashing blue light would induce me to stop on a foreign highway to talk to a complete stranger. But curiosity won. "Where did you get that?" were his words. "Come to swap?" were mine. It was the first of many such meetings with SMs in New England, since the GS's family resemblance was easy to spot.

Twelve years later, having lived in Australia where SMs are prohibited because they are left-hand drive only, and Egypt, where you would be insane to take one, I found myself back in London. Freshly divorced and feeling self-indulgent, I decided to look for "that car" - now, happily, much more affordable.

The oil crisis, and the disposal of Maserati to de Tommaso, had led Citroën to drop production of the SM in 1975 after a production run of almost 13,000. The cars depreciated rapidly, apart from being thirsty, they are quirky and appeal to a limited number of dedicated Citroënists who are undeterred by the whirring and clinking of the hydraulic system, the ultra-sensitive brakes with about half an inch of travel (activated by a button on the floor instead of a pedal), indicators that don't self-cancel and a steering wheel with a mind of its own. The hydraulic-powered steering gives amazing manoeuvrability at low speeds (parking is a dream) and firms progressively with speed, but the wheel will return to centre if loosed and the inexperienced can fall foul, hurtling around corners like a wallowing whale.

Compound these eccentricities with a reliability problem (without a special hydraulic chain tensioner installed, the cam chains had an alarming tendency to slip, with consequent mechanical devastation) and the SM in the second half of the Seventies and early Eighties had limited appeal indeed.

After six months of poring through papers, I finally found one that was within my budget and in reasonable condition. I had it checked out by a Maserati specialist and made an offer, which was accepted. The owner's daughters wept as I drove it away gingerly and I was shaking like a leaf, imagine buying a car without even test-driving it or any other of the modal. I must have been mad. Since September 1983 Big Bird, as she is known fondly, has had (cast in order of appearance): overhauled suspension, new alternator, an entire factory-full of those nasty distributor points, two new tyres, a new battery (how many cars have to have a wing removed to change the battery?), a brake light bulb, a new brain (the Bosch electronics box), a new fuel pump, an engine rebuild with hydraulic chain tensioner modification, a new clutch, a new exhaust system and, recently, electronic ignition.

In return, she has given me the pleasure of driving round Brands Hatch in an exhibition convoy of Maseratis just before the European Grand Prix (all these people waving at me?), circumnavigating the Place de l'Etoile in rush-hour and having everyone give way; and (the piece de resistance) of having a Parisien hop out of his Rover outside the George V and kiss the bonnet of my Citroën. In spite of many ups and downs and many tow-ns, we are still together and I'm still devoted. Furthermore, my faith (and that of my bank manager) has been rewarded: SMs in good condition now fetch between £7,000 and £14,000.

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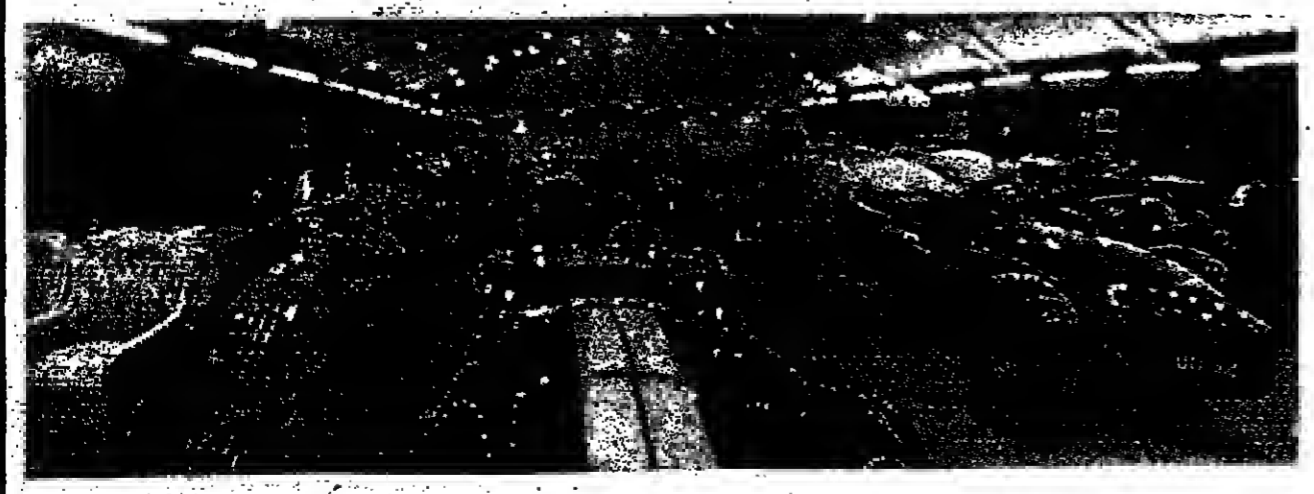


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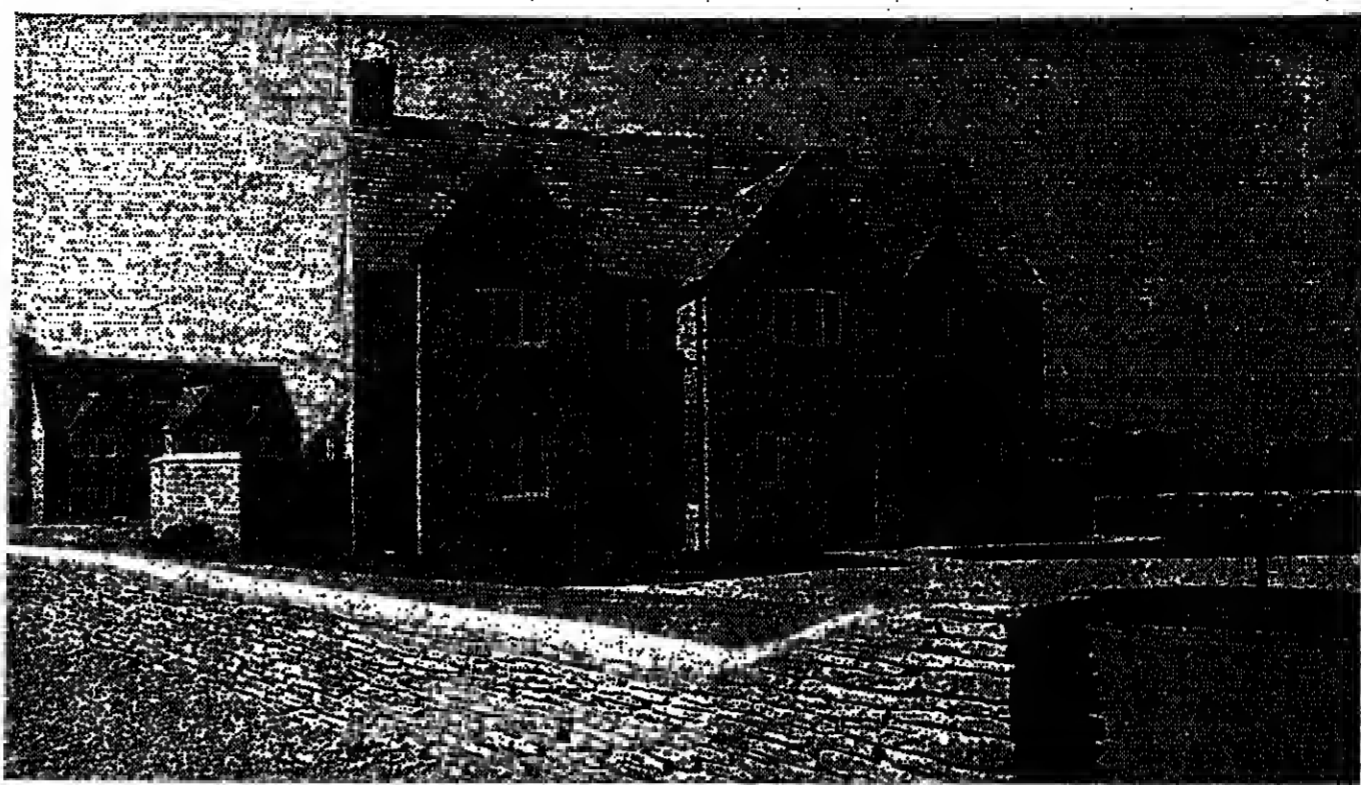
Modern homes gain in appeal

John Brennan weighs up the advantages and disadvantages of old housing versus new

**E**VEN if you want to buy a new home, the odds are stacked heavily against it. About seven old homes change hands each year for every new property sold. And the geographic spread of new building is sufficiently out of line with buying demand to make most of the old versus new arguments seem pretty academic.

That said, the number of people who swear that they'd never be seen dead parking their car outside a new-built home has been declining since housebuilders started to become far more design and efficiency conscious. And as planning restrictions have squeezed up the cost of greenfield sites, increasingly imaginative use of former industrial land in towns and by water is fast removing the 1930's and 1970's image of new homes as lowest common denominator, standard shape and sized boxes of accommodation arranged in serrated ranks with little or no visual appeal.

The balance sheet for and against new homes is, then, beginning to weigh more heavily in favour of the new.



£250,000-plus for an old-style new home in Stanton Fitzwilliam. From Designer Homes (0753-28566)

**Maintenance**

NEW homes win hands down on maintenance grounds now that the National House Building Council's home warranty scheme "Buildmark" reflects a two-year builders' warranty on central heating boilers, air conditioning and waste disposal systems as well as putting right any defects caused by building quality, and a 10-year cover against structural faults.

**Running costs**

NEW: Most new homes win hands down on basic, medium-term running costs, given the improvement in standards of insulation and quality of fittings. However, since buyers sternly resist paying any more than they absolutely have to for new homes, only 15 per cent come ready-fitted with double glazing, and the rising

costs of building materials means that the days of cheap imported US Sequoia wood for roof timbers is long gone. The medium to long term running costs of a modern house are likely to reflect the initial sales price. You get what you pay for, and most "first timer" or new entrant-priced homes are unlikely to have a lifecycle of more than quarter of a century or so.

**OLD:** Draughts and leaks, building settlement, damp and all the common ailments of building age come with the deeds of an old property. But there is a Darwinian element of self-selection in the survival of older homes, the 3.5m homes dating from 1880 or before, the 2.9m dating from between 1891 and 1915 and the 4.5m inter-war homes have by now, worn their way into the landscape, while their jerry-built contemporaries have been swept away.

**Depreciation**

NEW: For most new prod-

ucts the heaviest weight of depreciation is at the point of sale. In the case of new homes it all depends upon local demand and developers' pricing policy. It is common to arrange for homes schemes to be sold in stages, with the first completions selling at a slight discount to later sales. The added value of a home in a completed development, as opposed to a building site, plus the cumulative effect on buying demand of the developers' marketing programme has tended to mean that the fastest appreciation in values is in the first two or three years after completion of a new home. In a less bullish market, or with individual new properties on their own site, there could be some depreciation in the early years because of the premium people are willing to pay for a new home. On a national basis that runs to around 20 per cent, according to the Halifax Building Societies Property Price Index. Newish home depreciation sets in within four or five years as the interior fittings start to look dated. But

that is often masked by the effects of a maturing garden, and, in recent years, by price rises in the market as a whole.

**OLD:** few people allow for depreciation on older properties but averaging out maintenance and updating costs suggests a depreciation rate around two per cent a year. The declining real value of the property is, however, generally masked by the rising value of its site.

**Sites**

NEW homes normally have the "next best" sites, although the release of former industrial land, and improved building making it possible to build out more complex waterside schemes, creating a new generation of more imaginative homes.

**OLD:** having had first choice on building land, older homes can normally claim the best sites, particularly countryside. The position in towns is con-

fused by changes in the fashionability of areas.

**Buying problems**

NEW: there are no sales chains to break for a new home purchase. Mortgage lenders like the assurance of a NHBC warranty.

**OLD:** yes.

**Appearance**

NEW: designs reflect demand, and demand is for new houses that look old. There's more scope to produce end of the 20th century flat designs. But even here, when flat conversions and new flats are selling alongside each other it is the remodelled warehouse and the brick facade blocks with terraces that go before the more exotic architectural designs. Buyers' conservatism rather than developers' lack of style, determines the shape of residential schemes.

**OLD:** Best sellers run from Georgian, Queen Anne and

Haute Edwardian to Victorian, with Tudor and mid-Tudor and mid-war styles trailing. 1800's "modern" and 1950's "basic" rarely make it onto the preferred lists.

As far as additional facilities are concerned, customer research by Prowling Homes confirms that the buyers of new homes in the South of the country now expect to have two bathrooms as standard, and that an increasing number expect there to be three bathrooms of some form to help cope with the morning rush in homes where both partners work, and where a single bathroom would constitute grounds for divorce.

As Prowling's Group Managing Director, Terry Boydon says, new homes are moving towards the stage where buyers expect to have a bathroom with every bedroom. Packing en suite bathrooms into older houses is not so easy, and as this is only one of the most obvious examples of the facilities gap that may well become the key difference between the marketability of homes by age in the future.

In cities, the price rises of recent years have begun to make it commercially viable to create new homes behind the facade of the old, and for the most expensive properties refurbishment has become, effectively, new building.

Site costs now account for just under 50 per cent of the average new home price in England and Wales, more than 40 per cent of costs in the south east and substantially more than the intrinsic value of the property itself in prime parts of central London. That's a point illustrated by Savills' Ian Stewart, head of the agency's country-house department, who, in comparing prices per square foot for properties across Britain, came up with the intriguing fact that you would pay around £110 a sq foot for a substantial listed Georgian house near Stansted, £290 a sq ft for one of the heavily-in-demand Georgian residences near Reading, and down to around £90 a sq ft for an equivalent house in need of restoration in Herefordshire. Compare that with the £300 or so a sq foot for a new built home in prime central London.

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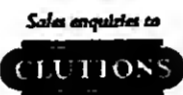
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tions of Roland Way. Roland Way, SW7 is located off Roland Gardens, which is off the Old Brompton Road. Our showhouse is open for viewing Monday to Friday 11am to 5pm and Saturday and Sunday 11am to 4pm (Tel: 01-370 4341).

An illustrated brochure is available by contacting Cuttons on 01-589 1122 or Lovell Homes London on 01-995 0445/6.



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A development by Lovell Homes and Balfour Beatty Homes

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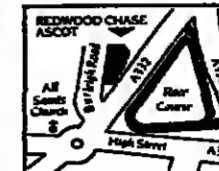
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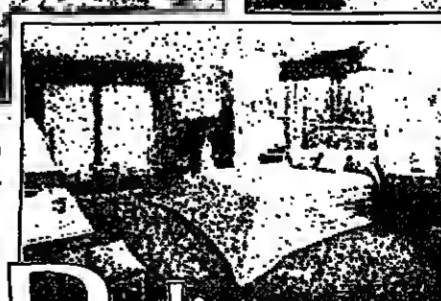


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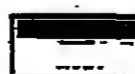
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# SAVILLS



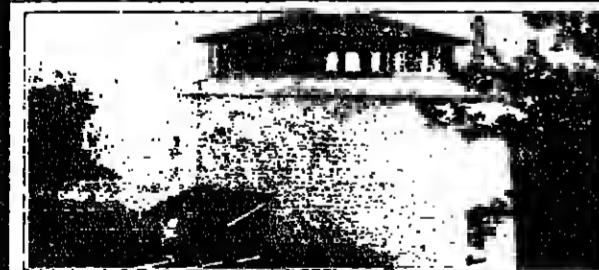
**OXFORDSHIRE - Henley-on-Thames**  
 Henley-on-Thames 7 miles, London 40 miles, M40 10 miles.  
 Magnificent country house, beautifully maintained and standing in a quite spectacular position with views over the Oxfordshire countryside.  
 4 reception rooms, study, conservatory, breakfast room, 6 bedrooms, dressing room, 2 bathrooms.  
 Staff flat. Coach house with 6 garages.  
 Home cinema, swimming pool, tennis, barn, paddock.  
 About 8 acres.  
 South, Henley-on-Thames Tel: (0491) 578960.  
 Contact: John Harris



**DULWICH - SE21**  
 West Dulwich station 1 1/2 miles, Victoria 11 minutes, North Dulwich station 1 mile, London Bridge 12 minutes, Central London SW16 miles.  
 A fine family house enjoying the security of Dulwich Gate, and occupying one of the best sites overlooking the golf course.  
 Reception hall, 3 reception rooms, kitchen/breakfast room, 6 bedrooms, 3 bathrooms, shower room.  
 Garaged garden.  
 Savills, London, Tel: 01-499 8644.  
 Contact: John Coburn



**HAMPSHIRE - Lynton**  
 Lynton 2 miles, Brockenhurst station 2 miles, Waterloo 1 hour 40 minutes, Southampton 15 miles, Bournemouth 18 miles, M27 9 miles.  
 An elegant period house with superb views over the New Forest.  
 3 reception rooms, 4 bedrooms, 3 bathrooms (1 en-suite).  
 Open country sitting room, kitchen/dining room, 2 bedrooms, bathroom.  
 Garage, stable block, garden, paddocks.  
 About 8 1/2 acres.  
 Savills, Bournemouth, Tel: (0202) 290205  
 Savills, London, Tel: 01-499 8644.  
 Contact: Henry Prouse



**KENT - Sandgate**  
 5 1/2 miles from Dover, 10 miles from Dover, 40 minutes.  
 Dover 11 miles, 10 minutes to the ferry (10 minutes).  
 Sandgate, Kent. Formerly converted to a luxury dwelling with views across the Channel to France.  
 Reception hall, sitting room, study, living room, kitchen, 4 bedrooms, bathroom, shower room.  
 Parking area. Attractive garden.  
 About 5 acres.  
 East, Dover, Kent. Tel: (0203) 52752.  
 South, London, Tel: 01-499 8644.  
 Contact: John Harris



**OXFORDSHIRE - Henley-on-Thames**  
 Willingdon 4 miles, Henley 7 miles, Reading 9 miles, London Paddington 22 minutes.  
 Spacious and elegant family house originally Queen Anne in need of some modernisation in an area of outstanding natural beauty, along with a well-kept lawn, mature planting, views for contemplation.  
 L & L House with 4 reception rooms, study, conservatory, domestic office, 3 bedrooms, 2 dressing rooms, 1 1/2 bathrooms.  
 Canoe, garden, orchard, paddock.  
 About 1 1/2 acres.  
 Let: 3 Part of 18th Century barn with detailed planning consent for conversion to a two bedroom house.  
 Garden and paddock.  
 About 2 1/2 acres.  
 For sale by Public Auction on Thursday 20th October 1988 (unless previously sold).  
 South, Henley-on-Thames, Tel: (0491) 57990.  
 Contact: Nicholas Buxton



**SURREY - Cranleigh 868 ACRES**  
 Guildford 8 miles, M25 16 miles, London 35 miles.  
 Prime residential and agricultural property in superb countryside within 25 miles of Central London.  
 Attractive principal house: 3 reception rooms, 6 bedrooms and staff flat.  
 3 cottages, good farm buildings, fine glass house.  
 Excellent arable and dairy enterprises, Grade 2 and 3 land.  
 Milk quota of over 260,000 litres.  
 Available as a whole or in lots.  
 Savills, Cranleigh, Tel: (0438) 376511  
 Savills, London, Tel: 01-499 8644  
 Contact: Justin Marling

## CLUTTONS

**North Kent**  
 Woodham 3 miles, London 22 miles.



**A fine Residential, Agricultural and Sporting Estate.**  
**A beautiful 16th Century Grade II\* Listed Manor**  
 in a most attractive setting.  
 4 Cottages, Modern and Traditional Farmbuildings  
 Gently undulating Land  
 763 ACRES  
 For Sale as a Whole or in 2 Lots.  
 Canterbury Office, Tel: (0227) 457441  
 and Mayfair Office, Tel: 01 499 4155

127 Mount Street, Mayfair, London W1Y 5HA, Telephone 01 499 4155  
 Head Office: 49 Berkeley Square, London W1X 6DR  
 Agents: Chelmsford, Colchester, Ipswich, London, Reading, Southampton, Bath, Cardiff, Edinburgh, Falmouth, Harrogate, Hereford, Leeds, Lincoln, Loughborough, Luton, Manchester, Milton Keynes, Newcastle, Nottingham, Oxford, Peterborough, Plymouth, Reading, Southampton, Telford, Walsley, Warrington, Worcester, York.

## TAYSIDE, CENTRAL SCOTLAND

**17 ACRES - HIGH QUALITY COMMERCIAL PLANTATION**  
 ● Close to Glenlogie Hotel  
 ● Site with excellent access to processing markets  
 ● Well grown high yield class Sitka spruce  
 ● Nearly 7-15 year old and coming into production  
 ● Excellent road deer stalking

OFFERS IN EXCESS OF £100,000 ARE INVITED FOR THE FREEHOLD  
 Information from Fountain Forestry Limited, Millington House,  
 Millington, Perth, Perthshire, Scotland. Telephone: (0224) 780000.  
 Please refer to information on woodland in Tayside, Central Scotland.

FOUNTAIN

01-499 8644 20 Grosvenor Hill, London W1X 0HQ

Handwritten note: 01-499 8644





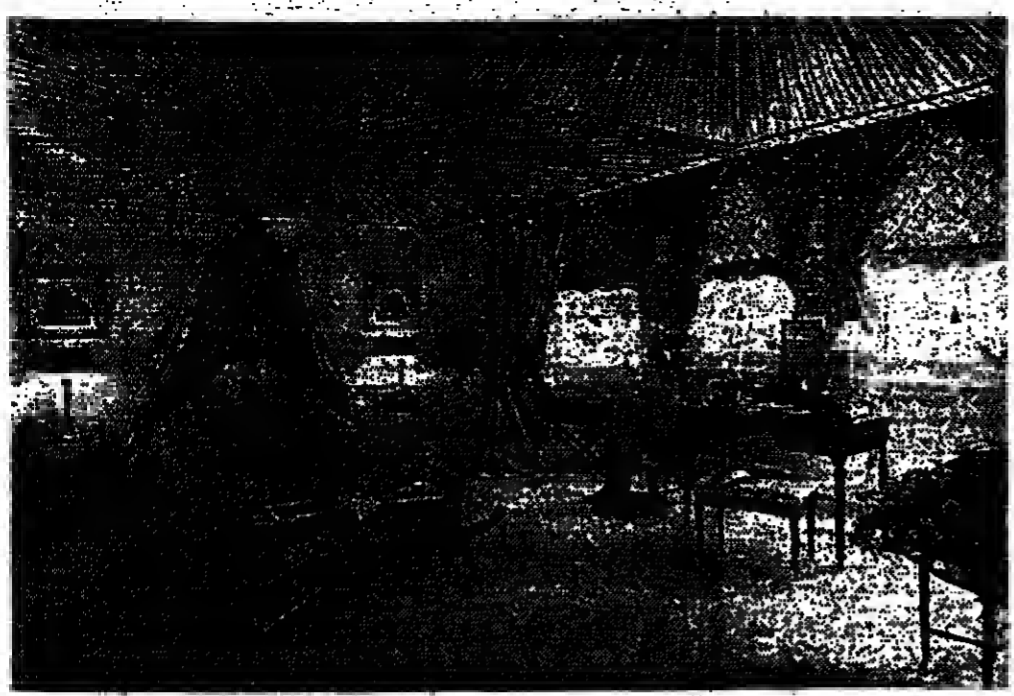






PROPERTY

So much for the best-laid plans



DON'T move. Improve. Well, perhaps not. At least, not if you fall into the trap of believing everything you think and read in the literature of the conservatory companies.

involved chasing the plans. If you buy at a time of the year when conservatories are selling well, or when it is holiday time in the drawing department, this can be a time-consuming process.

problems of assembling frames designed at a distance onto a wide variety of sites prepared to different standards. So, it is a practical impossibility for them to keep to any rigid timetable.

DEVELOPERS Yvette Sharman and Paul Howe have followed US practice by allowing a range of interior designers loose on the show flat in their redevelopment of 44-46 Egerton Gardens, SW3, and letting the public pay to see the results in a three-week charity show.

different designers tackle a room space in a three-bedroom, 1,797 sq ft ground and lower floor garden flat. The £5 entrance fee goes to the Muscular Dystrophy Group.

Smith Charity, which owns much of this tract of Knightsbridge. Ten other flats in the block are on offer from £220,000 for a 900 sq ft two bedroom to £560,000 for the larger (1,324 sq ft) of two double-level rooftop flats with views through the chimney pots of SW3 to the Brompton Oratory at the front, and far across West London and Victoria at the back.



It is only when you want to have them put up that you start to discover just how much of your own time might have to be invested in the complex process of getting from the plan to the completed structure.

Few of the conservatory groups offer a complete buy-it-and-build-it service. It wouldn't make economic sense. It is common for them to have a single national workshop to produce the frames, after which the glass, the same pieces and your own builder's work are brought together, hopefully at the same time in the same place.

Buyers who have the room to allow for the safe storage of a lorry-load of glass, and those who do happen to be in when the glass arrives, can then start chasing the fitters again to install it. And since conservatories are being assembled in this stage-by-stage way all the time, any wistful idea of keeping to a schedule is foolhardy.

GETTING new homes out of old sites has become the name of the game for housebuilders throughout Britain and, since its formation late in 1985, Barratt East London has squeezed 2,200 houses from some of the best likely sites.

feverish off Avenueley Road, New Cross, where 200 new flats and houses and has joined forces with Rosebush Co-Partnership to develop the 8 1/2-acre Burnham Oil site stretching along the south side of the Thames at Rotherhithe. And at East One Walk, BEL.

(01-555-3242) is turning a decaying mass of old factory buildings in Cleveland Grove off London's Mile End Road into 11 three-bedroom houses, 16 two-bed, and 15 one-bed flats, 10 studio apartments, and workshop space. The flats are likely to be priced between £75,000 and £150,000.

So, you pick your preferred design, meet the salesman-designer, get sketches drawn, agree a quote for the work and the process starts.

Disappointment could be around the corner for any prospective conservatory buyer who believes that full payment in advance guarantees the work will be done with similar speed. It is not so much corporate inefficiency (although that certainly can play a part) as the nature of the process that lends itself to frustrating delays.

When you add in the potential for disagreements about building designs that are drawn formally, on mass, at a distance, then one salesman-designer's response to problems - "one day, you'll laugh about this" - takes on a different meaning.

John Brennan Ltd

John Brennan Ltd

John Brennan Ltd

John Brennan looks at the trials and tribulations of building a conservatory

At some point in the process, holidays and work-load permitting, the conservatory company's factory turns out the frame. Then, depending on the helpfulness of the delivery driver, any elderly home-improver - or those whose normal activities don't involve hauling large sections of timber around the house - may need to ensure that their own builder is around to help offload the parts of their conservatory when it arrives on the doorstep.

Conservatory companies appear to be frugal in their use of the phone. Thus, once the wooden bits are stacked across the lawn, it is worth allowing for a further jolt to the phone bill in order to keep checking when the company's fitters can come to assemble these timbers.

NEW HOMES

A UNIQUE INVESTMENT IN A LUXURY LIFESTYLE BY THE WATER

CARLTON GATE

Carlton Gate consists of 582 one and two bedroom apartments, split level apartments and stunning penthouses. Superb Leisure Complex, Landscaped Water Basins and Lawned Quadrangles, Secure Underground Car Parking, High Speed Lifts, Sophisticated 24 Hour Security Entry System, Video Entry System, 125 Year Leases, Fully Fitted Kitchens.



Carlton Gate where atmosphere and prestige come together in fashionable Maida Vale. Prices from £99,500-£625,000. Method of Purchase: Purchasers will be required to exchange contracts with a 5% deposit (a further 5% on 15th January 1989 and another 5% on 15th July 1989). The price is frozen with the remainder payable on completion in 1990.

A prestigious development by DECLAN KELLY GROUP PLC

GA Property Services advertisement for a 1000 sq ft house in Maida Vale, London W1.

GA Property Services advertisement for a 3 bedroom house in Lynton, Devon.

YORK - BISHOP'S WHARF advertisement for a 3 bedroom house in York.

ISLE OF MAN advertisement for a 3 bedroom house in the Isle of Man.

Knight Frank & Rutley advertisement for a 3 bedroom house in Maida Vale, London W1.

STRUTT & PARKER advertisement for country property.

DORSET, PIDDLETRENTHIDE advertisement for a 3 bedroom house.

SUFFOLK advertisement for a 3 bedroom house.

LEICESTERSHIRE, COSSINGTON advertisement for a 3 bedroom house.

COTSWOLDS advertisement for a 3 bedroom house.

SUSSEX, FLETCHING COMMON advertisement for a 3 bedroom house.

CLUTTONS advertisement for a 3 bedroom house in East Sussex.

East Sussex North Chailey advertisement for a 3 bedroom house.

St John Vaughan advertisement for the Shepherd's Hill Estate.

LUXURY BARN CONVERSIONS advertisement for a 3 bedroom house.

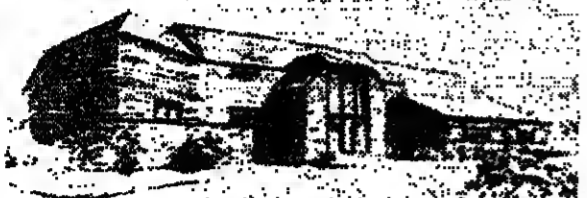


COUNTRY PROPERTY

HAMPTONS MESSENGER MAY



MIDWAY READING AND BASINGSTOKE AT HARTLEY WESPALL. A superb listed period farmhouse (with planning to extend) including 4 bedrooms, bathroom, 2 reception rooms. Ample facility to extend in grounds of approximately 3/4 of an acre.



Also a fine period barn with consent for conversion to substantial family residence. Comprising when converted: 6 bedrooms, 4/5 reception rooms and 1 1/2 acre grounds. For Sale as a Whole or in 2 Lots. By Public Auction on Wednesday, 2nd November 1988. (Unless sold by prior Agreement). 204 Fleet Road, Fleet, Hampshire. (0152) 620255.

St John Vaughan

EASTBOURNE Superb Penthouse flat, overlooking Saffrons Cricket Ground. 41' Lounge/Dining Room with sun terrace, kitchen, master bedroom with en-suite bathroom & W.C. and door to 2nd sun terrace. 3 further bedrooms, bed 5/3 study, 2nd bathroom & W.C., shower room & W.C. Garage. Gas central heating.

OFFERS IN REGION OF £275,000 EASTBOURNE Individual character detached house. Lounge, dining room, study, cloakroom, kitchen/breakfast room, utility area, 5 bedrooms, 2 bathrooms & W.C.s, garage, mature gardens. Gas central heating. Favoured meads area.

OFFERS IN EXCESS OF £260,000 APPLY EASTBOURNE OFFICE TELEPHONE: (0323) 641164

ISLE OF MAN

A most attractive Georgian residence of imposing appearance, set on a slight hill in its own grounds of approximately 5.5 acres and enjoying superb views from each room.

Set amongst well laid gardens with mature trees. Eight Bedrooms, three reception rooms. Two bedroomed Cottage in need of renovation. Stable block suitable for conversion.

Price: £525,000 Chrystals Chartered Surveyors: 0624 812236

FARMHOUSE, DEVON SECLUDED MAGNIFICENT SEAVIEWS Large 15 bed detached farmhouse with extensive outbuildings and up to 5 acres in superb SW England. Available for conversion to a household home. Ideal retirement charity home or community centre. £28,000. Write Box T6611, Financial Times, 10 Cannon Street, London EC4P 3DF. Tel: (0273) 200 office 02373215 home

WEST YORKSHIRE Beautiful rural location. Eighteenth-century freehold house + 2 barns with planning. As a whole (£250,000) or in 2 lots. Brochure: Wilby (0924) 280722

Luxury Apartment Waterbridge overlooking lake and countryside. 3 units, completely refurbished. Huge living room £115,000. The Trump Organisation: Tel 0922-828498.

Older suburban, New 84.3 bedroomed post war house in 1/2 acre site. Scope for building development. Elevated position. Views over Thurston Valley, Freshford priory region of £174,000 Telephone evenings 0922 75258

NEW HOMES

A KELLY HOUSE DEVELOPMENT PRINCE & REGENT MEWS

Netley Street, Euston NW1 Shortlisted for the Prince Charles Design Award 1988



A minute's walk from Euston Tower An outstanding Georgian style mews in this secure courtyard setting

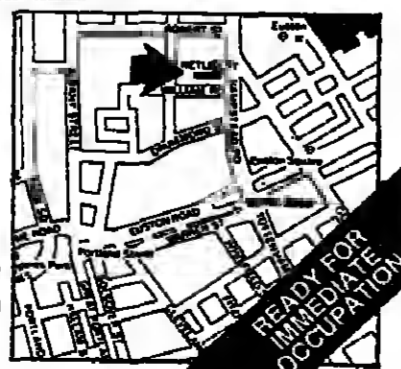
This brand new gated development offers 19 superbly appointed flats/mainstones with 2/3 bedrooms all with car parking facilities. 125 year leases.

- Neville Johnson Kitchens fully equipped
Amico floor
Full NHBC Guarantee
Independent gas central heating and hot water system
Fully fitted carpets
Video entry system
Porters Lodge with caretaker
TV and PM point in all rooms
Brass fittings throughout
High pressure pumps in shower rooms

Prices £137,000 - £280,000 Garages £15,000 Car Spaces £7,000

JOHN D WOOD & CO Regents Park, NW1 01-287 3387

FRANK HARRIS & COMPANY 81 Marchmont Street, WC1 01-387 0077



HAMPTONS WELCH AUCTION

SEBLE BEDDINGHAM Detached Period Farmhouse for Renovation, 3 1/2 Acres and Two Landships of Meads. Pair Period Cottages for Renovation. Semi-Detached House. For Investment, Semi-Detached House. Building Plot, 70' x 200'. Building Plot, 50' x 130'. Building Plot, 43' x 100'. The Old Town Hall, Great Dunmow, Essex. (0371) 2117

HAMPTONS JENNINGS AUCTION

THAXTED THAXTED Building Plot, 60' x 90'. Building Plot, 65' x 80'. Building Plot, 40' x 50'. Building Plot, 46' x 150'. Scattered 3 Acre Site for Development, with Derelict Banglow. Period Cottage for Modernisation. Fine Village House - The Bull, Fox Public House. Private Residence or Commercial Use, with Building Plot. Gibson House, Market Hill, Saffron Walden, Essex. (0799) 22628

Braxton



RIVERSIDE, MARLOW-ON-THAMES, BUCKS An exceptionally presented and very large first floor mansion apartment incorporating many period features and enjoying spectacular views over the Thames and west, within 2 minutes walk of the centre of this charming town yet within 40 minutes drive of central London. Magnificent reception hall; 3 fine reception rooms; superbly fitted and equipped kitchen/breakfast room; 3 bedrooms and 3 bathrooms (including 2 en suites); full central heating; lovely walled riverside gardens with Thames frontage and moorings. £538,000 LEASEHOLD (To include carpets and curtains of the highest quality.) 29 High Street, Maidenhead, Berks. SL6 1JF Tel: 0628 74234 Fax: 0628 756432

MAPPEDURHAM, BERKSHIRE 110ft direct Thames frontage. An exceptional family home in an elevated position on the E1100 standing in lovely 1/2 acre gardens. 3 large reception rooms, kitchen, office, Principal suite, 2 further bedrooms, and bathroom. Flat with bedroom, 4, kitchenettes, bathroom, living room/bedroom 3, Can find C.I. double garage. Attractive W.C. Roadhouse with accommodation over. Offers in the Region of £575,000. Harrogate City & County of Hamley, Tel: (0491) 572115 or John Agnew, Harrogate City of Hamley, Tel: (0491) 579990.

BRAUNSTON - NEAR RUGBY Six carport of housing enthusiast. Close to the Oxford Canal and Drayton Water. 10 minutes from Rugby leisure city station or M1. This 20 year old 3 bedroom desirable village property has large private garden - £110,000. (0788) 890706

CORNISH MANORS ST IVES/PENZANCE New 2/3 bedroomed Holiday Homes in grounds of Cornish Manor. Indoor pools and lots of facilities. Full management service. Self financing. C.G.T. relief. Prices from £38,995. Brochure from: KENEGIE MANOR, GULVAL, Penzance, Cornwall. TEL: (0730) 66671

KENTISH OAST HOUSE Superb grade II listed oast house conversion. 6 self catering flats. Full 45 min 2 large recep, 4 double beds, 2 baths, W.C. 180 round kitchen. Easy garden, ideal golf course. Vicarage. Waterpans. £215,000 o.a.o. Telephone 0924 89876 even/week.

SOUTH CORNWALL RIVIERA Secluded historic small estate. Gardens from 12 to 22 acres to sandy beach. Every amenity. All sports. London 1 hr plane. Unique opportunity - family sacrifice. Offers over £300,000. Tel: 0326 250317 or Write Box 76612, Financial Times, 10 Cannon Street, London EC4P 4BY

TROSSACHS SUPERBLY SIT. 4 bed bungalow. Large landscaped garden. Double garage, 4 1/2 acres wood/grassland. Double garage. Waterpans, walking, fishing nearby. Glasgow 37 miles. Offers over £10,000. Tel: Callander (0677) 31185

HAFTON HOLIDAY HOMES For Sale Full Refurb. Relief Capital appreciation and income. Brochure: 8369 - 6265

NEW FOREST A Georgian Country House. Sit in its own parkland of 22 Acres in a rural yet convenient location. Southampton 3 miles. Winchester 17 miles. 5 good reception, 7 bedrooms, 2 bathrooms, excellent stabling and outbuildings, walled garden. About 22 Acres mainly pasture. Offers over £725,000. Immediate vacant possession. Fox & Sons, 5/7 Salisbury Street, Farnborough, Hants (0428) 52121.

INTERNATIONAL PROPERTY

EXHIBITION

Marbella's only local British owned Real Estate Agency. With offices in the centre of Marbella. TELEPHONE (U.K.): 0789 - 293111 MARIJAS VILLAS • LA QUINTA GOLF & COUNTRY CLUB • MIJAS GOLF • EL PRESIDENTE • CALAHONDA • ALCAZABA BEACH • PLAYAS DEL DUQUE • BENAMARA GOLF • ALOHA GOLF • PUERTO SOTOGRANDE View the top ten Marbella developments and a selection of resale properties in the comfort of an English country hotel. Venue: Oksmere Country House & Hotel, Brome, Eye, Suffolk Date: Sunday 25th September. Time: 1100 till 1900 \*Just off main Ipswich/Norwich Road (A140) near Diss.

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DO YOU OWN PROPERTY IN SPAIN? BALANCE YOUR TAX OBLIGATIONS. If you own property in Spain you are liable for Spanish taxes affecting your property. Whether you own a villa, apartment or three-year lease you must meet the tax obligations. Guaranteed to save you time and money. Send today! Malcolm Wilson Chartered Surveyors, 10000 Massachusetts Avenue, Laguna Hills, CA 92653

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THE EXPERTS IN THE EXCLUSIVE We are the only real estate agency in Marbella and the Costa del Sol's most successful real estate agency. 16 Pall Mall, London SW1Y 5LU (01) 500 9512, 059 2221, 059 2421 (Fax)

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A selection of the most exclusive properties in Marbella. Luxurious turquoise-style villa, opposite the MARBELLA CLUB, in almost 3 acres of landscaped gardens. 6 beds, 6 baths, 4 reception rooms, games room, swimming pool, servants quarters. Beautifully furnished. Panoramic views of sea and mountains. Price on request. CAROPINO, only minutes from Marbella. 3 beds, 2 baths apartment. Terrace with sea views. £120,000. Opposite LOS MONTEROS. 2 bed, 2 baths apartment. Beautifully furnished. Magnificent grounds, swimming pool, tennis court. £85,000.

SWITZERLAND

THE WHITE HIGHLANDS CHATEAU D'OEX - GSTAAD VALLEY Exclusive apartments and individual chalets in internationally famous resorts ideally located between Lake Geneva and the Bernese Oberland. Swiss bank finance at only 5 1/2%. Individual inspection visits. Apartments - from £26,000. Chalets - from £70,000. Details & Appointments: RELAY REALTY SERVICES, Church Lane, Barnham, W. Sussex, PO22 0BP. Tel: 0243 254318. Telex: 849 748. Fax: 012 947 084.

SWITZERLAND Sale to foreigners authorized Lake Geneva & Mountain resorts You can own an APARTMENT or CHALET in: MONTREUX, CRANS-MONTANA, VERBIER, VILLARS, GRIMENTZ, CHATELAIN-D'OXE, region of GSTAAD, LES DIABLETETS, LEYSIN, JURA, etc. From St. 150'000.- Mortgages 80% at 8 1/2% interest, 5-20 years. REVAC S.A. 52, rue de Montbrillant - CH - 1202 GENEVA Tel. 41.22.74.15.40 - Fax 34.12.20 - Tx 22.030

MARBELLA One of the finest villas in the area set in the peaceful hills with views of the sea and mountains yet only 5 minutes from Puerto Banus. 630m². Covered consisting of huge reception, 7 dbl beds, 5 baths, staff flat, beautiful gardens of 1 acre and large pool. Luxuriously appointed air conditioning, tel etc. £600,000. Detail direct from owner, Home (01) 602 5941 Work (01) 409 1343

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TIMESHARE AND FREEHOLD PROPERTY 4th Auction to be held on 6th November 1988. THE EXCELSIOR HOTEL, HEATHROW. FURTHER ENTRIES INVITED. About 400 lots to be offered. Catalogues ready 14th October 11.30. Kenneth Ward & Co. Chartered Surveyors & Auctioneers, 77 Laburnum Rd, Staines, Middx. Tel: 0784 64151 - Telex: 288755 Fax: 0784 63963

Can you afford NOT to invest in Lanzarote? Buy direct from the developer. High guaranteed letting income. 20% p.a. increase in property value. Magnificent beachside location. Pool & tropical gardens. Superb recreation centre. Development now completed. 1 bed apartments from £33,750. LION OVERSEAS PROPERTIES 01-434 8611

One hour north-east from Lyon, in the country, property including privacy villa with apartment for groundkeeper. Fitted indoor pool (220 m²) joined to the building by an underground tunnel, sauna, shower, dressing and bathroom. Beautiful landscaped grounds, more than one acre, magnificent view. Notice after application: SFR. 1,000,000. Need at the 18, 18 Cornmarket Ct., 1211 GENEVA 11, Switzerland. Tel: 0227 71 1111 Fax: 02276 71 71

On Saturday 1st October, 1988 The Residential Property Pages of The Weekend FT will focus on INTERNATIONAL PROPERTY To advertise please contact CLIVE BOOTH Tel: 01-248 3000 Fax: 01-248 4601

VILLAS HOMES ALGARVE MOST PROGRESSIVE ESTATE AGENTS AND CHARTERED SURVEYORS. See us on Parade 126 - 08 at THE EXCELSIOR HOTEL, HEATHROW. DORCHESTER, WILTSH. (0420) 288755. London Office: Tel: 01 486 8679

TUSCANY, UMBRIA FOR SALE, typical Tuscan period cottages, some restored. Medieval villas, authentic castles. Agents: International Agency, 10000 Massachusetts Avenue, Laguna Hills, CA 92653. Tel: 0784 64151



SELL YOUR HOUSE

Through the Weekend FT Property Pages To advertise your property in the Saturday property pages, simply complete the coupon below and return it to: Francis Phillips, Classified Sales Manager, Financial Times, 10 Cannon Street, London EC4P 4BY.

Allow five words per line (minimum 5 lines) Cost: 5-15 words (£20.70) 20 words (£27.60) 25 words (£34.50) 30 words (£41.40) 35 words (£48.30) 40 words (£55.20) all rates include Vat. Advertisements over 40 words, rates are available on application, please attach copy separately. Lineages: 66.00 per line + Vat. Display: £26.00 per cc + Vat. Please insert the following copy in the Weekend FT on Saturday 1988

MARBELLA ELITE (Just 600m) Stunning family residence in ground level. Coloured style in all mod cons in the heart of this lovely 5th star estate. Comprises 4 beds, 3 baths & the most glorious private garden. 1/2 acre to be found at the Club. For a colour brochure please call: 0749 67416 or Fax 01-248 3421.

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TENERIFE - SAN ANTONES GOLF DEL SUR A prestigious collection of 1 and 2 bedroomed villas for those who appreciate the finer things in life. For further info please contact Leisure International Tel: (0825) 08039 04 line

COSTA BLANCA - This is an 8000 sqm. Property available from £3,500. Regular inspection nights. Alveco Ltd 0605 879008

COUNTRY PROPERTY

RH & RW CLUTTON FRANT - KENT/RUSSEL BORDER A most attractive farm in an elevated situation in high wood state of natural beauty for residential views

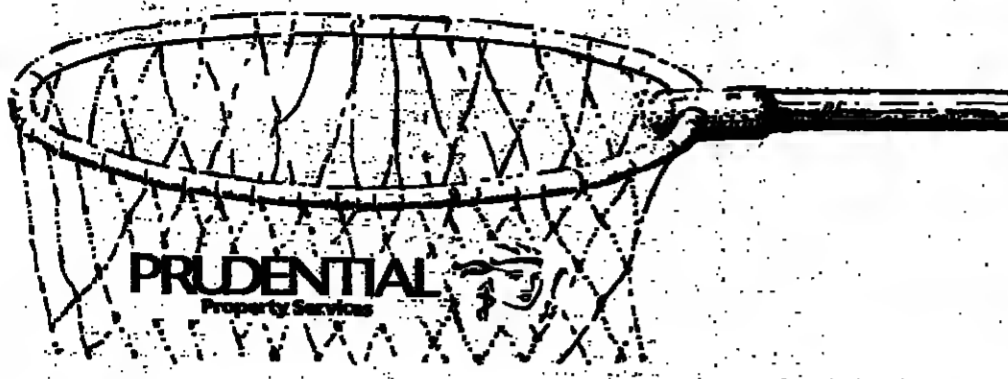
SUBSTANTIAL PERIOD FARMHOUSE WITH POTENTIAL FOR IMPROVEMENT 3 Reception, kitchen, 3 bedrooms and bathroom. Annex: Reception room, kitchen, 3 bedrooms, bathroom. LISTED 18TH CENTURY TIMBER FRAME BARN (Planting consent applied for) OUTBUILDINGS, MATURE WOODLAND AND FARMLAND FOR SALE AS A WHOLE OR IN 8 LOTS No HOESMONDEN, KENT A LARGE PERIOD FARMHOUSE OF CHARACTER WITH EXPOSED TIMBERS

Scope for improvement RURAL BUT NOT ISOLATED VIEWS OVER FARMLAND IN VERY ATTRACTIVE AREA OF KENT in all 3 reception, 2 living, 4 bedrooms, 2 bath rooms GARDEN, SMALL LAKE, POND AND PADDOCK (Lot 3) BOTH PROPERTIES FOR SALE BY AUCTION IN OCTOBER (unless sold previously) 52 High St., East Grinstead West Sussex RH19 3DF (0342) 410122 Office at: Lusham, Hants. Tel: 0429 52121

I wish to pay by cheque, value £... made payable to: Financial Times Limited. I authorise you to debit from my Visa/Amex/Access account (delete as applicable) the sum of £... Signature: Card expiry date: My card number is: Name: Address: Postcode: Daytime Tel No: Weekend FT Property Pages 01-248 3296



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It's very largely because, despite our size, we pay more attention to detail and provide a more personal service to all our customers. Please telephone the London Region Head Office on 01-262 5060 for details of your local branch and our property guide "In Residence".

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Over 750 offices throughout the country.

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**ONSLow GARDENS**  
NUMBERS 56/58 ONSLOW GARDENS, SW7

Flats ranging in price from £625,000.00 for a Magnificent Garden Maisonette to £110,000.00 for a Studio with a salubrious address.

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EARLY & CO. CLUTTONS

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TRAVEL/GARDENING

The Arabian nights — Eighties style

The oil may run out but, in the meantime, Geoffrey Weston finds the good life in Abu Dhabi



A camel without the hump — though goodness why when it has these tower blocks to contend with — in Abu Dhabi

ATINY mermaid (or so she seemed, since I couldn't see her legs) suddenly tapped on the glass wall beside me, waved and plopped laughing back into the pool. I waved back and turned to finish a plate of Burgundian snails in a delicious cream sauce wrapped in puff pastry. A very acceptable white burgundy was served modestly as house wine with a fresh half lobster. It was raw and raining in London but a balmy 25°C and sunny on the pool terrace outside. A family of German tourists chatted excitedly about the amazingly low prices of German shoes in the local boutiques and the magnificent bottles of Echézeaux they had drunk in the hotel's elegant French restaurant the night before. All morning I had seen only a solitary water skier and two couples on the sandy, palm-shaded beach. No, this was not Martinique or Polynesia. I am talking about the Intercontinental Hotel in Abu Dhabi.

remain half empty. Abu Dhabi has gone back to being a sleepy, relaxed place. It can afford to, but the locals are proud of what they have achieved. Where that gazelle grazed, 23 luxuriantly green and flowering parks glisten from the sprinklers that are turned on day and night. Millions of coloured lights change in countless spectacular fountains at highway intersections. Eventually, of course, the oil will run out, so why not dabble in tourism, people are beginning to say. The hotels happen to stand on magnificent private sandy beaches, linked by a splendid curving corniche. Prices have dropped so far that a holiday in one of them is now vastly cheaper than anything comparable in better known winter sunspots like the Caribbean, Kenya or the Seychelles. The cuisine is exceptionally varied and of very high standard — from Mexican to Thai. The main handicap to tourist development until now has been the Gulf War, but those who feared that Crocets would whistle through their hotel windows have failed to look at their atlases. The main zone was 500 miles further up the Gulf, but that is nevertheless the other reason why the hotels have been half empty. Now that the war is over, will there be a mini tourist boom? In your hotel room a green arrow labelled "Qibla" is thoughtfully stuck to your bedside table to show which way to face Mecca, if you are so inclined. The UAE is, of course, an Islamic country, but most western ways are discreetly accepted. Alcohol is freely available to non-Muslims within hotel limits. Bikinis are de rigueur on hotel beaches, although taking the tops off is not on. One great advantage of Abu Dhabi is its very low crime rate. You could stroll down the corniche in a diamond necklace at midnight and fear no muggers, or relax on the beach knowing that no one will run off with your belongings. Oil wealth means that there is no need for any taxes. Prices in the souk for everything from electronic goods and cameras to gold ingots and Iranian caviar are probably unbeatable. The airport's duty-free shop, with access on arrival as

well as departure, vies with Dubai's (two hours' drive down the coast) as the world's cheapest. One plane-load of Greeks came just for the shopping, while a German reportedly turned up to buy a Mercedes, partly because it was cheaper but also because he could drive it away there and then instead of waiting nine months at home. When you have wearied of the endless round of beachside cocktails, clean blue sea and sport (jet water scooters and dhow trips to floodlit tennis and scuba diving), you could cross the desert to Al Ain by a six-lane highway, with palm trees, oases and bougainvillea all the way. Not long ago an oasis dependent on date palms and camels, Al Ain is now an amazing garden city and the main cultural centre. The camel market is the last of its kind in the UAE and looks much as it must have done a century ago, although goats of all shapes and colours predominate. Fitter camels can be seen in six-mile races held on certain Fridays in winter. There is also a zoo. Civilisation in Al Ain has been traced back 3,000 years. In nearby Hili a tomb, decorated with ancient carvings of the ox, is the centrepiece of an archaeological park. Many "Beast Geste" fairs, made from baked clay and manure, are being carefully restored, and one is now a museum of archaeology. Al Ain stands close to the Sultanate of Oman, whose jagged Hajar Mountains edge over the border. There are no customs formalities to stop visitors hopping over to Bursim, a much poorer and more traditional oasis where the little souk sells muskets and daggers, spices and henna, and colourful beduin textiles. Beyond it, past the mosque, is a peaceful haven of date palms, trickling streams and winding paths. In the tourist months, October to May, the Intercontinental, Hilton, Sheraton and Meridien hotel chains all offer special arrangements for tourists in Abu Dhabi city, with the first two also represented in Al Ain. Enquiries may also be made direct through the Abu Dhabi National Hotels Company, PO Box 6806, Abu Dhabi.



High-flying kids

FLYING WITH children is a fraught affair at the best of times: this summer's airport delays and congestion has made it a nightmare for many parents. However, British Airways has come up with a package of measures to give them a better deal when at the airport and in the air. Called "Skyflyers", the scheme is part of the gradual up-grading of all BA's services (First Class is next in line for the treatment.) At the heart of the BA service is a personalised identity card — similar to a credit card — which will be available free to all children who have travelled with the airline. BA says that it carries more than 1m under-16s a year — and that at least a tenth of these travel alone. The identity card will carry a number which, when keyed into BA's reservations system, will reveal contact numbers and other information supplied to the airline. A lost child carrying a Skyflyers card, for example, would enable airlines staff to trace the parents more quickly. BA carried out extensive market research to come up with the Skyflyers name and logo. Not surprisingly, it found that children are as fashion and status conscious as adults and did not like being patronised by "Big Sister" or "Big Brother". The new name and logo is being used on all material linked to the under-16s — including signs, boarding cards, name badges and bag tags. In-flight games packs for children of different ages have been redesigned and include all the latest in modern drawing, writing and that carries the Skyflyers logo. As BA is a popular carrier of unaccompanied children — especially those from Service or Diplomatic families — it has dedicated a special Skyflyers check-in desk and lounge at Heathrow's new Terminal Four.

David Churchill

Peat is at the bottom of it all

Arthur Hellyer finds there are always a few suckers around if you need help

AFTER LAST October's great storm I had to do a great deal of replanting. In many places, where big trees had been blown down, I not only put in replacements but also extra shrubs to act as temporary fillers. Some were bought at nurseries but quite a lot I was able to find around the place, some of them self-sown seedlings, some self-rooted layers, some suckers. Whenever possible I dug them up with good roots and plenty of soil, but some had to be hacked out with a mattock and were not a very pretty sight. I expected quite a lot of them to die and a few did, but many have grown astonishingly well and are likely to be wrapped around one another too tightly; thus, they are reluctant to grow in almost any soil that is less agreeable in texture than peat. It is no use expecting nurserymen to put back the clock and grow a large percentage of plants, except perhaps herbaceous ones, in the open ground because it is no longer economic to do so; nor is it possible to self open-



Cherry Fountain's "After the Hurricane, Nymans, West Sussex" on show at Petworth House, until October 30

ground plants throughout the late spring and summer which is when the public wants to buy them. We cannot even hope that nurserymen will revert to soil composts in place of peat for their containers, since soil is too heavy for the convenience of customers and too difficult to manage in the nursery. So, we must learn to choose container plants wisely and to plant and care for them in the best possible way. At the moment, many garden centres are trying to popularise autumn planting. They point out, quite correctly, that this was the traditional season for much planting of trees, shrubs and herbaceous plants when they had to be lifted from the open ground, and that conditions in autumn normally are less stressful for plants than in either winter or summer. The soil usually is moist and retains some of the summer warmth while deciduous plants are in the process of losing their leaves, so reducing the demands on their roots for water and nutrients. What the garden centres do not say is that the contrasts between the physical properties of peat and soil also are increasing as autumn gives way to winter. Peat compost is warmer and aerated better than most herbaceous ones, in the open ground because it is no longer economic to do so; nor is it possible to self open-

function without light. Many of the plants I put in last winter — were protected temporarily with fine mesh plastic netting, the kind that used to be sold primarily for shading, but I did not always make my little screens sufficiently high and the results of that carelessness were sometimes spectacular. One young *Cercidiphyllum* had about 9in of growth projecting above the circle of netting. One windy night, the whole of that 9in was killed just as efficiently as if I had blasted it with a blow-lamp. There were sufficient reserves down below for that tree to recover but I was less lucky with another, a young *Cedrela sinensis* that I had thought myself fortunate to discover in the nursery at Leonardlee, the great woodland garden near Hoxham, Sussex. It was April and the little tree, nicely established in a three-litre pot, was just coming into leaf. I planted it with care, had plenty of peat at hand to mix with the soil around it, and gave it the usual protective screen of netting. Stupidly, I left its single tuft of leaves just projecting out of the tunnel. Wind killed them completely, and although the growth buds remained green and the growth buds were plump throughout the summer not one of them could be persuaded to grow. A fortnight ago, and with the stem already dying, I abandoned hope and dug up the little tree. The roots did not appear to have grown but there was one small shoot at the base. Fortunately, I had left the plant with care, so it is now back in a pot of Levington compost in the greenhouse with a polythene bag over it as a kind of improvised intensive care unit. It would probably be more sensible to buy another, but I hate losing plants like that. It will be interesting to see if the *Cedrela* survives and grows into a good tree. I give it a 50-50 chance.

Pulling up one's roots

early, you can usually risk an early move. Cut down the top growth on anything truly herbaceous; water it and wait until you see new young shoots at ground level, encouraged by your cutting-back. Then, water the victims heavily for about five days of typical test-match weather. Put the water right into the plant's central crown, not into a dip or a puddle to one side of it. The morning before the move, dig the hole into which you wish to drop the plant; fill the hole with water and wait until it has drained down. Then, strike boldly in the twilight. Dig out the lupins, veronicas, aquilegias or delphiniums which you want to reshuffle and transplant them, knowing that you have stored a reservoir of water just beneath their new hole. Never make a summer move early in the morning or in sunshine. Never leave plants in open sunlight, even for a short while between holes.

Moving is a job for a cool evening. If you are moving between gardens, the procedure is much the same, except that the holes are dug in two different places. For the journey between them, you should wrap the plant's roots in heavy polythene or sacking; the black or blue polythene of an old farm-fertiliser bag is excellent. The aim is not to skin the garden when you sell it, but there is no knowing what new owners will do (one lot threw my anemone-flowered Rose Ramona and some Japanese irises from the President of the Iris Society straight onto a skip) and it is quite reasonable to leave them to do it to a divided plant, not an entire specimen. Anything matted, herbaceous, or broadly rooted can be lifted, split, and stuck on the truck with the furniture. But be sure to water heavily in preparation between exchanging contracts and completing. Admittedly, we have had wet summers, but I have a horrendous record of successful wrenching. Up until early June, I have never killed a rose-bush by disturbing it. The recovery stocks of this year have been my yellow-flowered Graham Thomas Roses. They flopped and died down to the base in late May, but are now beaming happily with flowers. Climbers are just as transportable, but do remember that their roots are usually dry at the base of a wall, and, as you will have to tear them beside paths or paving, a heavy preliminary watering is essential. Of course, there are those plants which "resent disturbance": plants with tap-roots, astromerias with roots like glass, most of the tree peonies (not the big yellow one), although I have had success with deeply dug herbaceous and border peonies, again by watering heavily in advance and picking a cool moment. I have even had a 50 per cent success-rate with daphnes, whose yellow roots are supposed to be immovable. Vita Sackville-West even used to dig up Christmas Roses and pot them up as house-plants for the winter, although every gardener-book hater a "do not disturb" notice round the family. Trees and big shrubs are another matter. If you are a serious mover, you must prepare them for a season in advance. As a rough guide, aim



to remove a root-ball about half as wide as the width of the shrub's upper growth. In spring, mark out this circle on the ground and dig down deeply to cut any outlying roots. During summer, the plant will adjust to its imminent reduction of root-space and in autumn you can dig under as well as around the defined ball of soil. Move it in sacking or polythene, watering heavily as usual. May I suggest an experiment? You may have been living with a rhododendron in the wrong place. Try watering it for a fortnight, then cut round this diameter of root, heave it into a big polythene bag and move it across to a newly potted one. If it is a purple one, of course, you could even move it into the back of the car and take it down the road as a house-warming present. Every garden-exhibitor at the Chelsea Show soon discovers that big rhododendrons are very willing movers. In autumn, they move even more readily than in May, so you can certainly take them with you when you walk out.

Robin Lane Fox

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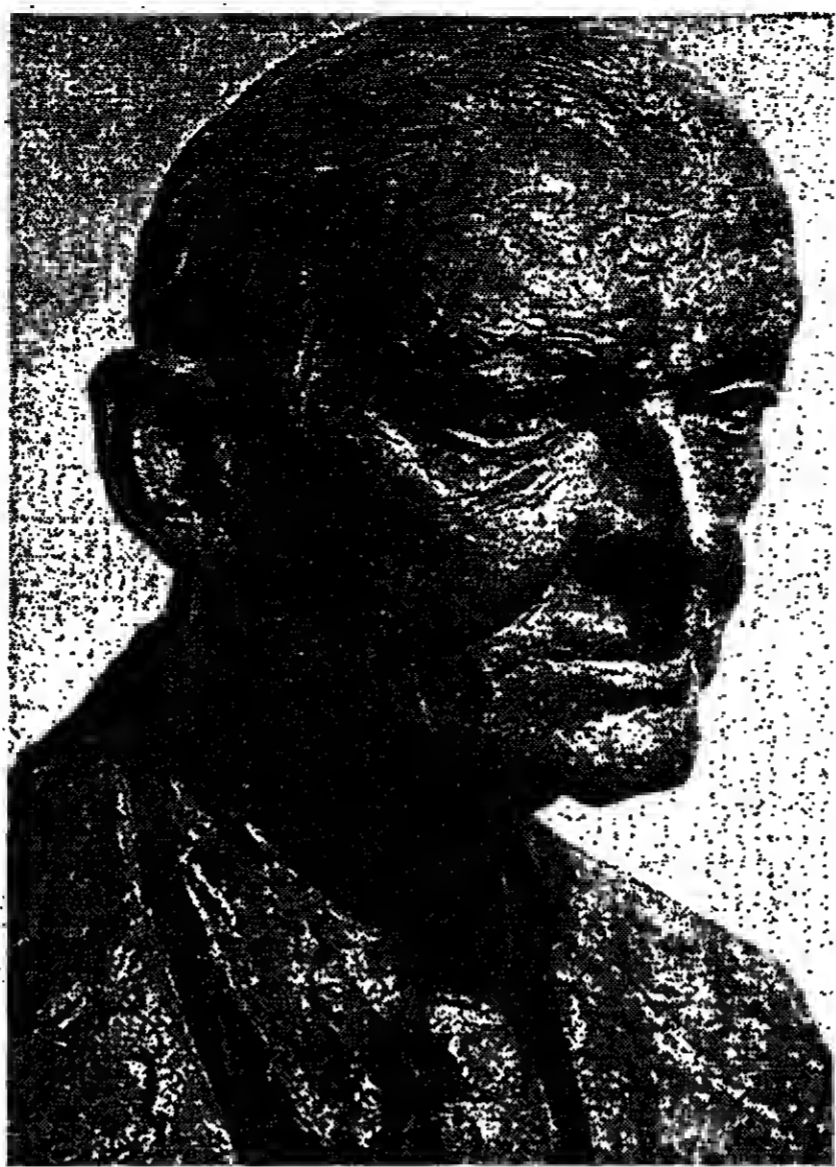
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BOOKS

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Jacob Epstein's bust of T. S. Eliot, owned by publisher Faber & Faber

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ties in the capital and proposes to Vivien. 'I believe,' he wrote many years later, 'that I came to persuade myself that I was in love with her simply because I wanted to burn my boats and commit myself to staying in England...'

Magic moments from a master conjurer

Fiction

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THE SATANIC VERSES by Salman Rushdie Viking, £12.95, 547 pages

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GRACE by Maggie Gee Heinemann, £10.95, 197 pages

There, Saladin is arrested by the police, who beat him up on the assumption that he is an illegal immigrant... long-term credibility, whether it will survive the vagaries of fashion to become an acceptable genre in its own right...

spare and lucid, the subject matter might not be wildly interesting to those who have never spent any time in the porcelain department of Sotheby's... Collecting is what the book is all about. For Utz, the exquise shadowy figure, a central European baron of Jewish extraction who lives in Prague...

Nicholas Best

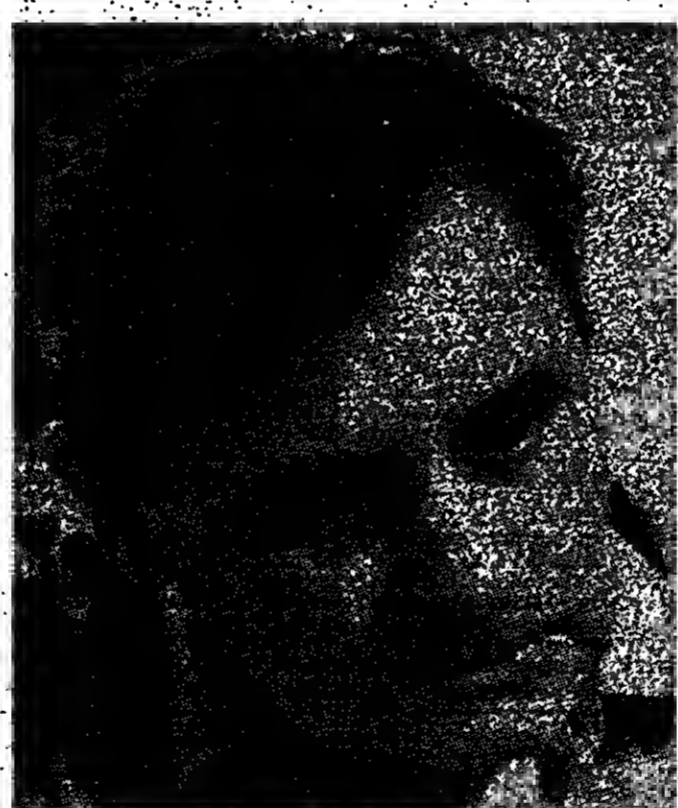
Telling it like it was

THERE WERE then three smells: shit, heavy deodorant and cigs. Ann Amis, who had a slightly scolding side, told me she would sit there puffing away like mad and the smell was something awful...

A LOCAL HABITATION: LIFE AND TIMES 1918-1940 by Richard Hoggart Chatto & Windus, £13.95, 223 pages

been a professor of English literature and also the assistant director-general of Unesco... Hoggart is, however, probably still known best for his work The Uses of Literacy...

tram ride was a rare indulgence. But lifelong socialist Hoggart, in a vein of which Margaret Thatcher would approve... When Hoggart was eight, his exhausted mother died and the boy passed into the care of a grandmother in a south Leeds 'back-to-back'...



Richard Hoggart: an innocent but revealing eye

Hoggart is never - as, after fame and success in later life, a less genuine man might have become - patronising about his native early self and narrow horizons. It will be wonderful if he can preserve the same innocent but revealing eye when describing the more sophisticated 'experiences of his mature years.'

Paul Ableman

Love in a prickly climate

WHILE NOT wishing to hose down Kingsley Amis with embarrassing praise, it does seem to me that what we have here is the greatest English novelist since Evelyn Waugh... Deirdre, a Barbara Pym/Elizabeth Bowen type, who is not merely an Irishwoman and an old Irishwoman but a bloody woman as well...

DIFFICULTIES WITH GIRLS by Kingsley Amis Hutchinson, £11.95, 276 pages

Deirdre, a Barbara Pym/Elizabeth Bowen type, who is not merely an Irishwoman and an old Irishwoman but a bloody woman as well... Back home, at a flat near Waterloo, Patrick is counsellor to petulant Tim Valentine, a barrister, clever in a dense, cut-off sort of way...

wife," she says. But she's much more. Amis takes us beyond the meekness; he describes her central energy, which is her ability to see through gallantry and airs instantly... Her quiet goodness - as she forgives a husband who has erred with the witch next door...

Roger Lewis

THE handy-list syndrome in the biography industry ordains that 'hitherto-unpublished material' and 'hitherto-unknown facts, especially sexual tendencies, must be of interest so long as they pertain to a known name, even if they themselves are not...'

Lear is famous mainly for being funny, but since the only example of this - apart from the limericks which now seem silly, lamed by ending more-or-less as they begin - are facetious, arbitrary misspellings and jokes about his cat, Chitty's tenderness to his being considered witty always came as a surprise...'

That singular Lear PERSON CALLED LEAR by Susan Chitty Weidenfeld & Nicolson, £16.95, 306 pages

More Lear - but why? EDWARD LEAR'S TENNYSON edited by Ruth Pitman Carcanet, £25.00 (£14.95 paperback), 215 pages

the danger she claims to avoid - turning Lear's life into a travelogue. Often, she combines assertive interpretation incongruously with tantalisingly inadequate explanations... Chitty supplies some fascinating incidental insights on Lear's era - how travelling in Italy, Albania and other European countries, which occupied much of Lear's life, was more alien and perilous than to travel in the Amazon jungle...

Jane O'Grady

THEIR GREATEST. THEIR LATEST. OUT NOW IN PAPERBACK. FROM THE AUTHOR OF EMPIRE OF THE SUN. THE DAY OF CREATION. 'This is classic Ballard. Mesmerizing. No one else writes with such haunting impact.' WILLIAM BOYD. A GRAFTON PAPERBACK. WINNER OF THE SUNDAY EXPRESS BOOK OF THE YEAR AWARD AND SHORTLISTED FOR THE BOOKER PRIZE. BRIAN MOORE - THE - COLOUR OF BLOOD. 'Enthralling... As an excursion into the field of human duplicity and strength, it manages to be that rare thing, a spiritual thriller.' THE SPECTATOR. PALADIN. A Division of the Collins Publishing Group.



DIVERSIONS

The Jewish flight out of Hitler's Europe

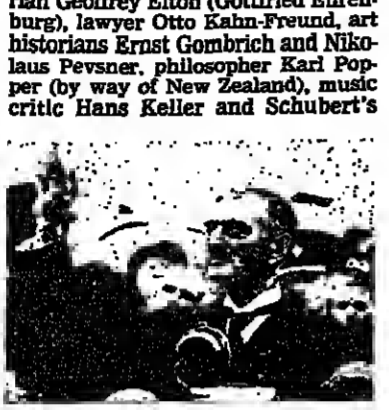
Next week is the 50th anniversary of the Munich agreement. Christian Tyler looks at one legacy

We have been Hitler's enemies for years before the war. We knew his plans of bombing and invading Britain's shore.

THE 50th anniversary of Neville Chamberlain's deal with Adolf Hitler occurs next week. The Munich agreement still is a cause of shame and controversy in Britain but it had at least one beneficial result: it swelled, from a trickle to a flood, the tide of German Jewish emigration to the UK.

The story of the Jewish refugees from Germany, Austria and the Sudetenland remains, after 50 years, remarkable for the size of the exodus and the alacrity with which Britain's doors were at last opened but, above all, for the way in which the refugees have since rewarded their hosts. Germany lost the elite of its scholars, scientists and artists.

more, among them Albert Einstein and Edward Teller, moved on to America where they could find posts more easily. The Nazi annexation of Austria drove a number of psychoanalysts including the elderly Sigmund Freud, and his daughter, Anna, to London. Freud died a year later.



biographer, Otto Eric Deutsch. In finance and economics there was the redoubtable, pioneering merchant banker Siegmund Warburg, his colleague, Henry Grunfeld, and Eric Roll (who settled in the UK in 1931).

Arthur Koestler and the Nobel prize-winner, Elias Canetti. Other radical writers, painters, musicians and architects - Gropius, Mies van der Rohe, Schoenberg, Hindemith, Brecht - found a more receptive audience in the US.

These are only a few of the success stories. Thousands of others have lived very ordinary lives, or have even fallen on hard times. Yet, scholars say it was the most influential migration of refugees since the Huguenots fled France.

A large proportion of the immigrants to Britain were middle-class and felt more German than Jewish. Some were practicing Christians. Despite this, their assimilation into English life was not always easy. Many doctors were frozen out by professional lawyers and had to start all over again. Businessmen had to take jobs as butlers and society hostesses became domestic servants.

Jewish manufacturers, who before 1938 could bring out some of their capital, were discouraged from settling in London and were directed to the depressed, grant-aided regions of the north and north-east of England, south Wales and Clydeside in Scotland.



Dr Arnold Paucker, director of the Leo Baeck Institute

gies came in 1940 when Hitler's armies swept up to the Channel, invasion loomed and there were rumours of a Fifth Column in England. As a result, all 74,000 "enemy aliens," anti-fascist or not, were screened by 112 special tribunals. Most of the men, some 4,000 women and many children were interned on the Isle of Man or in disused factories, holiday camps, empty houses or tents around the country.

Interment was revoked quickly but some deportees waited two years to return. Their camps became a hive of activity: plays, cabaret, concerts and lectures were staged and newspapers were produced.

For older refugees, not least the businessmen whose firms were ruined by internment, adapting to English life often was difficult. They might, as one put it, have swapped a six-room apartment in Berlin for one unheated room in Golders Green, north London. Some could not recover from the culture shock, nor bear the anguish felt for families left behind as the nose tightened round the neck.

Self-identity is a mysterious thing, and is the dimension of the refugee story least susceptible to scholarly research. Dr Arnold Paucker, for 20 years director of the Leo Baeck Institute, said: "When I am in West Germany, I feel like an Englishman abroad."

research. Dr Arnold Paucker, for 20 years director of the Leo Baeck Institute, said: "When I am in West Germany, I feel like an Englishman abroad." Sir Claus Mosser believes most of his fellow-refugees have a greater community of spirit with the Brits than with each other.

Self-identity is a mysterious thing, and is the dimension of the refugee story least susceptible to scholarly research. Dr Arnold Paucker, for 20 years director of the Leo Baeck Institute, said: "When I am in West Germany, I feel like an Englishman abroad."



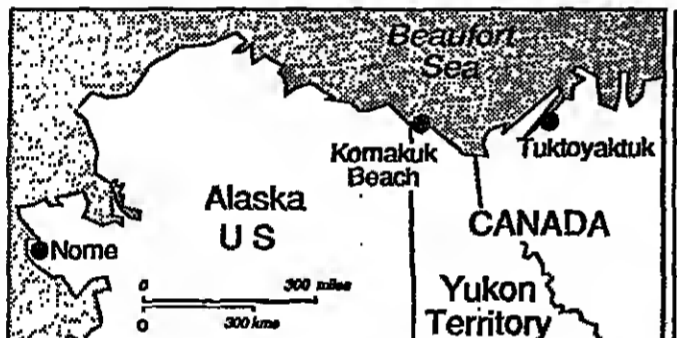
Tide of death

THERE IS water everywhere: water in which houses are half-drowned, water washing the electricity pylons, water dotted with trees like cocktail cherries, water on which countryboats are bobbing, water, just water, water as far as the eye can see.

Bangladesh has never been as flooded as this. The highly-polluted twisting James of Old Dhaka are still accessible only by boat; many diplomats have to travel the final miles to their elegant homes either by four-wheel drive vehicle waterlogged to the axles or by boat - road and rail connections between the capital Dhaka and the main port Chittagong are still cut off.

It is an indication of the poverty of this place - 110m people packed into 56,000 square miles (smaller than England and Wales) and living on an average income of \$150 (\$28) a year - that Bhutan, India and Sri Lanka, none of them in the 100 richest countries in the world, were among the first to give aid.

Relief and rescue operations are moving. Freshly-manned Mohammedan Red Crescent brigades on television, wearing gumboots and coming out of the skies by helicopter or from the floods by boat to bring temporary deliverance to marooned Bangladeshis.



Journey's halt

THE TWO MEN bidding to make the first voyage through the North-West Passage by sea alone have shelved their attempt for this year. The moment of truth came on September 1. By then, Mike Jacques and Marriot, sailing their 16ft dinghy Tulu, had reached Komakuk Beach in the Yukon, some 25 miles east of the US-Canada border.

They had been hoping to reach Tuktoyatuk, a little short of mid-point in their voyage, before the onset of winter. But, that week, the appalling weather they had met for most of their journey closed in once more.

After battling against fog, storms and a relentless head wind, they were confronted again by the pack ice that had been their almost-constant adversary. They spent two days backing a passage with an axe. In danger of frostbite, the two men put ashore at Komakuk, the site of a US Dewline (early-war) station, for a brief spell of rest and recuperation. But, it soon became clear that the Arctic was succumbing to the return of winter - a month earlier than usual.

On September 1 they decided, in Jacques' words, "to give it one last shot," but they found the slush was turning quickly to ice. "We knew that was it," Jacques says. They hauled the Tulu ashore, stored it upside down by the Komakuk airstrip with their supplies underneath and - at least in Jacques' case - headed for home.

In view of the conditions, it was remarkable that the two men got as far as they did. They had begun with high hopes, covering up to 80 miles a day upon leaving Nome at the end of May. Then, they met a band of pack ice extending across the Eering Strait - the first sign that it was to be one of the worst summers of the century.

They progressed thereafter in a frustrating series of fits and starts, searching for passages at sea and via lagoons and rivers inland. By the time they reached Barrow at the end of July, they had fallen back on their contingency plan of making for Cambridge Bay on Victoria Island, and resuming from there in 1989. Later, they decided to aim for Tuktoyatuk instead; but once at Komakuk, they accepted that even Tuktoyatuk was beyond them.

Fishing

It's nice being a bit coarse Tom Fort likes to believe that he's really Peter Pan

AS THE trout-fishing season draws towards its close, there will be anglers who are preparing, with heavy hearts, to pack up rods and reels, store away nets, waders and flies and suspend operations. Over the next few months of winter, their indulgence will be reduced to tying a few flies, perhaps revarnishing the beloved cane rod, reading fishing books, and dreaming of the lengthening days of spring.

There are ways to overcome this dreary hibernation. Some fortunate have access to rivers where the grazing thrives - that fine sporting fish which is in its prime in autumn and winter. Some - even more blessed - will have had their invitation for a few days of end-of-season salmon fishing. And there are trout fisheries that allow the insatiable enthusiast the chance to fish, day in and day out, although my own feeling is that casting a trout fly in November is an unnatural business.

Then, there is coarse fishing, the pursuit of those species other than trout and salmon. Now, in common with most of my fellows, I like to think of myself as a refined, sensitive soul. I should, therefore, either dispute the justice of using the adjective "coarse" to categorise this branch of the noble art, or I should have nothing to do with it.

If pressed, though, I would have to confess that there is a coarseness about such fish as the savage pike, the broad-scaled chub, the cunning, placid carp and the golden-green tench, and a coarseness in the fishing for them. And, further, I would have to confess it is a coarseness I like.

It lies first in the equipment. In dry-fly fishing for trout, it suffices to carry a little rod and reel, a collapsible net, and a shoulder bag for flies and accessories. But he who has serious intent towards, say, carp or tench, will have a 12ft rod with a big, fixed-spool reel. There will be buckets of ground bait, electric bite alarms and chests containing floats, weights and the rest of it. There will be a chair, possibly a tent and a bed, and provisions for a weekend campaign.

High Street Wine

A change of direction

Edmund Penning-Rowse tastes some new lines at Safeway

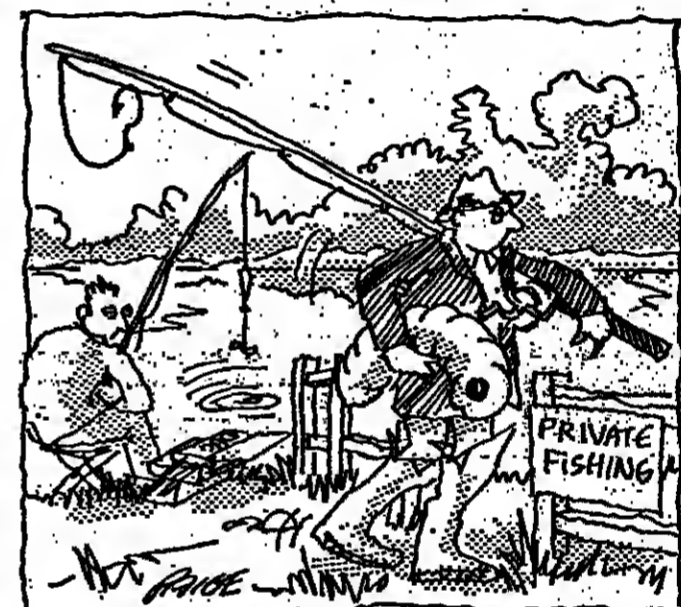
SAFEBAY TABLE wines have not been a very exciting lot and the shelves have been dominated by a typical range of £1.99-£2.25 minor Rhones, Rosé d'Anjou and the like in 70cl bottles - even a £1.85 Spanish Vino di Mesa. The accent clearly has been on low price.

However, since it regards itself as a superior supermarket chain, with 200 licensed branches, it surely is time for change. So, Safeway has engaged a Master of Wine, Liz Robertson (late of Green's), the traditional wine merchant in the City of London, and Simon Mount as wine controller, to develop its list. It laid on a tasting for me - not of its whole range but a selection of some of the table wines added recently (in order to show what it was aiming to do).

In the highly-competitive supermarket wine world that accounts for more than half the wine sales in the UK, it is not easy to be original. But it is fair to say that the Safeway list now looks more interesting and not noticeably more expensive than you would expect. A big proportion of "own label" wines is not planned.

Here are my notes (and it will be seen that, on the whole, I preferred the reds, perhaps reflecting a personal preference).

White Cellarmaster's Choice Padthaway Dry White N.V. (£2.79). From south-east Australia, this has a nice clean nose and quite a full flavour. A starter or picnic wine. Soave Classico Monteleone (Rosca) 1986 (£2.95). With a more positive aroma and flavour than many very dull Soaves, this is a good buy, although perhaps a little short on taste in the finish. Californian White N.V. (£2.75). One of a new launch of Californian wines exclusive to Safeway, it is made from a blend of Chemin and Johannisberg (Rhine) Riesling. Generally medium-dry (rather than, as so often, medium sweet), it cannot claim much style but it is easy drinking. Orlando Chardonnay 1986 (£2.99). A much more distinctive South Australian wine made in the Barossa Valley, this has a very oaky nose and taste which is immediately seductive but rather over-rides the fruit flavour. That is an Australian wine problem. Riesling d'Alsace N.V. (£2.25). From the respected cooperative in Turckheim, this is dry with the authentic Riesling bouquet and flavour. Good value. Riesling, Mosel-Saar-Ruwer N.V. (£2.25). Another Safeway exclusive, it has a flowery nose, is sweet and lacks some acidity, suggesting that it has seen little of the Saar or Ruwer. A little too cheap to be good. Riesling Bereich Johannisberger N.V. (£2.85). Also exclusive, this is drier, less "lumpy" than the Mosel and is worth the extra cost. Gewurztraminer, Rheinfalz N.V. (£2.99). Very scented, slightly sweet and lacking the slightly aggressive but expected "attack" they make them firmer (if dearer) in Alsace, but this is agreeable. Sancerre, Domaine de la Pousse 1986 (£3.25). Belonging to the Cordier group of Bordeaux, this is one of Sancerre's best-sited, most distinguished vineyards. The 1986 has a very typical crisp, Sauvignon bouquet and is more fruity and less green than Sancerres too often are now, owing probably to over-production. Recommended. Chablis (Alain Combarb 1986 (£3.50). Not as crisp as you are entitled to expect, with rather an over-ripe flavour for so young a wine. Montagny, Domaine de la



And I have had the good fortune to stumble across a coarse fishing paradise. Close to my home runs a great river, famous for trout in its upper reaches and with magnificent coarse angling lower down. Most of it is fenced heavily. But there is a stretch not 10 minutes away that scarcely has been touched in 20 years. The river runs beneath a house and, by devious means, I have become known to its owner. He - generous and salty man that he is - has told me I can fish when I like. So, I have sat beneath the walls of the house, at the head of the mill-pool, and battled with bull-like barbel. I have slid my net beneath the slithering flanks of a 4lb chub. I have scrapped with hard-fighting winter pike.

All this has given me such intense pleasure that, on occasions, I have found myself neglecting my trout fishing in favour of this mirvase. Come October and November, there will be no choice to make. I shall be there, impaling worms and maggots and sweaty lumps of luncheon meat, and catching these useless, inedible fish in order to admire them and put them back. In short, I shall do as I did when I was a boy. And when someone tells me it's time I grew up, I shall answer: "Who wants to?"

Nevertheless, the human spirit of resilience remains strong. Spackled-eyed children make fun of their plight and hold diving and swimming games, shifting brightly as fish as they splash in the water. One family that has lost all its crops and its home has reared a cow and milks it by the roadside.

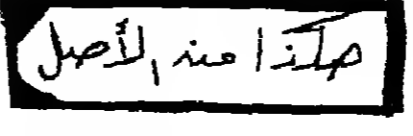
The best token is that the rice price which had shot up to Taka 780 (£15) a tonne (£2.2 lbs), has now come down to Taka 600, close to pre-flood prices. More than 1,000 people have died, but that is only the official figure.

Kevin Rafferty

CLAYSPOrts LTD The staff and client entertainment with a difference. Executive class Clay-Shooting days in rural Hertfordshire. Contact: Tim Waggood (043 886) 260

Christmas Gift Guide

The WEEKEND FT proposes to publish a Christmas Gift Guide every Saturday from Oct. 15th until Dec. 17th. For full advertisement details, telephone 01-248 3000 and ask for Sukhi Sidhu ext. 3696 or Jocelyn Hunter ext. 3444.





DIVERSIONS

# The Emperor's new clothes

Lucia van der Post meets the designer whose label says it all - quietly



**G**IORGIO ARMANI looks a happy man. The international empire that he surveys from his Renaissance palazzo headquarters in Milan is in splendid shape: last year alone it turned over some \$231m. For Armani is the designer with the golden touch. He has only to put his label on a product and that product immediately becomes imbued with an almost instant desirability. In the circles where these things matter, there is no other label which manages to say quite so much quite so discreetly. It says that you are (discreetly) rich, it says that you are (discreetly) forward-looking, it says that you are (discreetly) confident.

Just now the international press are gathering in Milan for the launching of his next season's collections, but meanwhile his eye is fixed firmly on his new British venture and he is eager to talk about it.

Armani fans will be pleased to hear that there is to be a new British venture, for we have been curiously deprived of a proper Armani presence in this country. Those with the tastes and the means have been able to buy a selection of the pulkka Giorgio Armani black label clothes in London's Bond Street Armani shop, but the less expensive Mani for women and Diffusion for men have been available only in limited amounts from a selected outlets, while Emporio, the range for the younger, more adventurous Armani fan, has hardly been available at all. For a designer whose reputation rests on his matches



Giorgio Armani: new venture

able and it cannot be diffused because the market is by its very nature so small - it is always best to be personally.

Then comes the white label with the black lettering, which is attached to Mani for women and Diffusion for men. Here you will pay about £220 for a jacket, about £130 for a pair of trousers, about £95 for a skirt and about £385 for a man's suit. The clothes will not be exclusive and the garments themselves will be made in greater volume and though the Armani touch is obvious, it is not as clearly as personally supervised in every detail, but it still embodies the Armani spirit.

Finally, there is Emporio, the youthful, adventurous label, the one that sports prices some 45 to 50 per cent below the top label, the one that is taking off like a rocket. This is the range we have scarcely seen in this country, largely because it was only started about six years ago and because of its huge success they have been struggling to meet demand. Now they are ready to bring it to this country to coincide with the opening of the huge Emporio store.

Emporio was started for obvious reasons - a lot of young people wanted the sort of relaxed and easy jackets their parents wore but they couldn't pay the prices. In the beginning there were just a few products for men - some jackets, a blazer, a bomber jacket. "Then customers started asking for shirts and so we did some shirts, then we realised women were going there to shop, so we started a women's line."

## HOW TO SPEND IT

ability to provide clothes which speak of relaxed, understated sophistication and elegance, it does seem curious.

However, from early next year, all that will be put right. At the end of January or early February he launches, in a joint venture with Ortheb, what is intended to be the first of a chain of Emporio Armani stores in Britain. On the site of the old Blanchards at 178, Sloane Street, London SW1, will rise the largest Emporio Armani outlet in Italy and there British fans will be able to see and buy everything from the black label collection to the less expensive Emporio range.

The Armani labelling system may seem a little arcane to those unversed in its ways but it is as precisely thought out, as finely targeted, as carefully managed as an impeccable military manoeuvre. The true fan must learn to understand it.

Top of the range is Giorgio Armani, the cherished black label, and this is the one that best embodies the purest Armani spirit. The £200 jacket, the £330 pair of trousers, the £300 silk shirt, the £750 man's suit, will be in exclusive fabrics, there will not be very many of each design and the master's touch is almost tangible. "It is," he says, "my gift to myself. With Giorgio Armani I never compromise. I only have to answer to myself. There is always one theme. Never will it be eccentric, never will it make fun of its wearer. I don't want it to be too big or too wide. I want to keep it select-

find a bra made from metal and decorated with rhinestones. You will find a straight-legged jean and a wide-legged jean, a classical jacket and a long skirt and a pleated skirt, some Shetland sweaters and some houses that are soft and that go with the jackets. For me the London Emporio store is going to be very important. I want to move into London very respectfully, with a feel for the ways of London. I do not want to be just another fashionable boutique. The way I move respectfully is by very carefully merchandising, by providing this relaxed classicism that suits the English temperament."

It is a strange thought that the Armani fashion story began only 13 years ago - it is such an enduring part of the international fashion scene that it seems as if it has always been there. Today a soft, relaxed, unlined jacket, very likely in a linen that crushes unashamedly, is a staple in many a man's wardrobe, but when Armani showed one of his first collections back in 1975 it caused a minor sensation.

What he did for men - bringing a discreet, relaxed comfort and elegance - he went on to do for women. What he did was to take the comfort and rationality of menswear, remove the aggression and translate it into a softer, feminine look for women. What he never did and much dislikes is unisex clothing or what he calls "cross-dressing." Much of the femininity is done with fab-

ric. He will put a soft silk camisole or a georgette blouse under a spede jacket, mix linen with satin, use transparent double-layered chiffons under a wool jacket.

He also softens the look with his choice of soft neutral colours (his allergy to bright primaries is legendary). His first winter collection took the colour of army fatigues, taupe, khaki, browns.

When his first collection was launched some sections of the press said "Armani does classics but how difficult these classics are to wear." Significantly, it wasn't the fur-clad set who haunt the via Napoleone who first grew to love his clothes. It was the architects and writers, those who in Italy are called the *intellettuale impegnati*, the intellectually occupied, who first took to them. "My clothes," he says, "do not look rich enough for the rich."

"Still today I do not seek to invent anything. I do not want to be in or out. I look to do a

jacket, a shirt, a skirt, some trousers. Each year, each season, I take the same elements and maybe if you looked at a jacket from several years ago it would take you time to see the difference, but the difference is there and it is very important to the silhouette. I can tell the year of any jacket by the proportion of the collar. It is a very subtle evolution. The fashion writers, they say 'Armani once again does his classic look.' But the trick is to make you think that nothing is changed but every year it really is different. I never repeat a shoulder any season, whereas if you look at St. Laurent or Valentino, if they do a jacket structurally everything is the same."

So far the company is entirely owned by Giorgio Armani himself. He set up the business with his great friend and business partner, Sergio Galeotti. Between them they owned the company and when Galeotti died in 1985 his 50 per cent reverted to Armani himself. There are, from time to time, rumours that he might wish to go public, but the black label I somehow think will not be up for sale. Emporio maybe, but Giorgio Armani - never.

Until the Emporio Armani launch next year no Emporio clothes are available in England. When it does open all the labels will be on sale, exclusively, under that one roof. Until then, the Giorgio Armani black label, for men and women, Mani for women and Diffusion for men are available from Giorgio Armani, 22, New Bond Street, London W1. Harrods and Harvey Nichols also sell some Armani.



Again from the new spring collection, the typical Armani way with a man's suit - relaxed, elegant, sophisticated.

## Sewing and sowing

**THOMASINA BECK**, who is a quite remarkable embroiderer and gardener, has produced a most beautiful book which does authoritative and photographic justice to her twin passions.

As she says in the introduction, "The pleasures of gardens and embroidery are so remarkably similar that it is no surprise to find that the garden enthusiast and embroidery enthusiast are so often one and the same person."

The book is published by David & Charles on September 29 (price £16.50) and coincides with its launch there is to be an exhibition of work by 25 of the embroiderers whose work is illustrated in the book. View at Liberty of Regent Street, London W1, from September 29 to October 15. All the work will be of great interest to anybody interested in gardens, embroidery or decorative pieces for the home. There will be some 60 embroiderers and all will be on sale at prices ranging from about £50 upwards.

It is also worth knowing that almost all the embroiderers whose pieces will be featured will also work to commission - for instance, Jenny Chippindale, whose simple yet striking portrait of Stone Green Hall is featured in the book, makes a speciality of doing embroidery portraits of gardens. I can't think of a nicer present than a personally embroidered picture of a dearly loved garden. Other embroiderers who will tackle this sort of commission are Janet Galloway and Janet Haigh.

If you can get along to the exhibition, do - to anybody unaware of what current embroidery is all about it will be a revelation. If you can't, make a point of buying the book.

In the current welter of nostalgia for things fine and old, modern furniture gets precious little exposure. Those who are interested in the work of contemporary designers might like to make a point of visiting the Furniture Show at Contemporary Applied Arts, 43 Earlham Street, Covent Garden, London WC2H 9LD. Here the work of nine designers, each with a distinct and personal vision of their own, is on show. Most exhibits are in a delectable setting and it includes production line pieces as well as bespoke and small factory batch production pieces.

Many of the pieces have been carefully designed with modern needs in mind - a working chair that also allows its owner to relax in a chaise longue, a light that will light up any corner as well as look good in its own right and a table that folds up to release more space when necessary.

The exhibition is on until October 15.

Oh well,  
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THE WATCH GALLERY AND WATCHES OF SWITZERLAND.

**Food for Thought**

## Wounded in a noble cause

MY FINGERS are stained purple. My hands sting all over. In a couple of places there are thin trickles of blood. There are purple stains on my trousers as well, and I am afraid that this jersey will never be able to appear in polite society again. But over there in the basket are 7lbs of finest blackberries. Summer (what summer?) is over.

They never fall, blackberries. It may have been a rotten year for strawberries, or cherries. Mushrooms may mysteriously refuse to appear, the green-gages may be as hard as emeralds and the plums softer and watery. But you can bet your bottom dollar that, come autumn, those glistening, jet black fruits will pop out in their clusters on the end of the long, curling tendrils of thorny growth.

There will be great coiled thickets which you have to beat down with your walking stick, or tread underfoot, lies so that you can get to that particularly tempting concentration that is always just there, at the very limit of your reach.

Hence the torn hands and shredded jersey, but they are all part of the ritual. Off down the lane, my aged mother gambolling over the five-barred gate, followed more circumspectly by my wife and I, to trespass - well, I won't tell you where; you have to guard a good blackberry spot with the same protectiveness you would a gold strike where associations of Forts have passed before. It's as well to get there as early in the season as possible, not just to make sure you get the pick of the crop, but also to stock up before the weather gets too cold.

The myth is that you should pick blackberries before Michaelmas - because the Devil urinates on them and they turn bitter. Actually it's the first frost that turns them not very pleasant, but then the associations between the Devil and icy cold are very strong.

Blackberries are free too, and, unlike almost anything else that we can harvest in bulk, you don't have to put anything into growing them: no saps of manure, no careful pruning, no chemical sprays. There are some people who grow the same, thornless domestic variety, and it is frequently these that you see in the shops. In my view they are vastly inferior in flavour, and they lack the romance of their wild consins.

Domestic or wild, the blackberry is a deliciously versatile fruit. When I was much younger I would be rewarded after successful expeditions by blackberry milkshakes, purple foaming creations, made by

fizzing half a banana, two tablespoons of Golden Syrup, a pint of milk and a pound of blackberries up in a liquidiser (my parents were very far sighted in their investment in kitchen technology). The sheer delight of straining off the pips through my teeth, and encrusting my top lip with a purple moustache were among the highpoints of a misspent childhood.

Now, of course I know better. I might make them into jam or jelly, but much more likely I will use them instead to make autumn pudding, which is just summer pudding made with blackberries. In many ways it is a more handsome dish than the summer version, the musky sweetness

of the blackberry being infinitely more delicious than tart raspberries and redcurrants, and suited to vast quantities of cream.

Perhaps I might be tempted to make a blackberry version of "the soft, pale, creamy, untroubled, the English fruit fool" (Elizabeth David: *An Omelette and a Glass of Wine*), cooking them in a double boiler with half a pound of sugar and the juice of half a lemon to two pounds of fruit until they are quite soft, then working them through a mouli with the finest mesh; and when they are quite cold stirring them into about half a pint of double cream.

On the other hand, you are feeling a touch more adventurous, stuff a grouse with a handful of berries before roasting it. Deglaze the pan with the juice of half a lemon and a small glass of *crème de mûr*, the blackberry version of *crème de cassis*.

*Crème de mûr* is also absolutely delicious added to a glass of champagne. Its pungent softness evokes all the nostalgia of the seasons of mists and mellow fruitfulness. Now, before I become misty-eyed from a second glass of the stuff (oh, for the milkshakes of yesteryear), I had better wash my hands and bind my wounds.

**Peter Fort**



ARTS

Booker hopefuls jockey for favour

Gay Firth reports on the annual stampede to find a winner in the race for literary super-stardom

THE LITERARY steeplechase known as the Booker Prize thunders up to its equivalent of Becher's Brook next Monday...

Cinderella of bookshop sales figures, first class fiction, to an annual hall on the UK airwaves and in the newspapers.

The event is the target of barbed literary gossip. However, literary gossip is not the same thing as literary log-rolling.

The £15,000 prize is serious, even funny, money for literary excellence.

Vivienne Menkes, a specialist writer on the French publishing industry, says: "Critics of the Booker complain that there is no continuity of standards."

Booker, formerly Booker McConnell (despite the name change, the company still is less celebrated than its prize), has sponsored the award for 20 years.

A management committee representing publishers, authors, sponsor, booksellers and libraries was formed. Rules of entry - modified slightly over the years - were drawn up.

"That wicked, wonderful man," says Giles Gordon, literary agent at Anthony Shiel, in affectionate admiration. To be sure, Martyn Goff's hand has been wonderfully steady, and not wicked at all.

Sometimes the surface heaves, cracks appear, and you get an agreeable glimpse of potential conflict.

ON OCTOBER 10, the sixth Earl of Strathbroke is selling off the family silver. The family home, Henham Hall in Suffolk, went many years ago and the silver, which includes the racing trophies of a celebrated 19th century ancestor, Admiral Rous - a man who made the turf almost respectable - had been languishing in the bank.

What sets this sale (which is to be held on the estate) apart from the usual story of an old aristocrat giving up the battle is the identity of the auctioneer. It is being handled by the Prudential and is far and away the most important property to come its way since it entered the fine art auctioneering business, almost accidentally, two years ago.

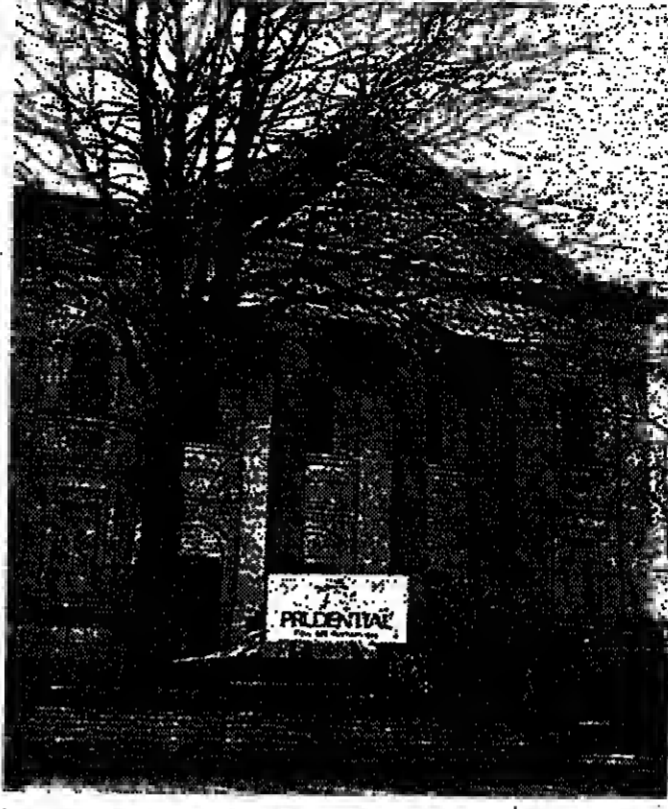
At that time, the Pru was buying up estate agencies with all the enthusiasm of a convert. It now has 700 agents and has its sights on a network of 1,000. Some of the larger operations it acquired also ran successful local auction houses; and while it has rationalised many out of existence, the Pru decided to make a go of the 17 with most potential, establishing Prudential Fine Art Auctioneers. One of those acquired was Ekins Dilley, based at St Ives in Cambridgeshire, which had been servicing the Rouse family for generations; hence the local sale.

Well-established local salerooms, such as Reeds Batins in Manchester and Cubbitt & West of Guildford, Surrey, now answer to the name of the Pru. In the same way, other auctioneers such as Locke & England of Leamington Spa, Warwickshire - are part of the six-strong chain of the Black Horse Agency and belong to Lloyds Bank, which also made a tawdry of the estate agencies during the great property boom.

Other major financial institutions caught the fever and the Halifax now owns the significant Spencers of Retford, Nottinghamshire, while Worsfold of Canterbury, Kent, is General Accident in disguise. Hogg Robinson and Nationwide Anglia also have estate

Saleroom Pru heads the bid for auction-house profits

Antony Thorncroft on a new financial focus



This former Methodist chapel in Sale is the saleroom of Reeds Batins, the Manchester auctioneers recently bought and renamed by the Prudential

contents and, especially with deceased estates, it is a business-getter if you can offer a complete service to the prospective seller. So, if the Pru, Black Horse and the rest discovered that an auction house they had somehow acquired was run by efficient managers with expertise and good local contacts, and was profitable (rather than operating as a loss leader on house sales), then it was sensible to keep it going.

There are good reasons for this caution. It is quite a simple matter organising a regular routine auction of furniture, books, carpets etc. every month or so, especially when over half the lots come in easily through the house sales you also are handling. But, once you enter the art market proper, you need specialist knowledge. Twice in the past year local salerooms have sold, for a few pounds, pictures that re-appeared very quickly at auction and fetched many thousands.

There are not enough experts available for the sale rooms owned by the financial institutions, and some of the smaller independent ones are able to offer a fully comprehensive service, even if they wanted to. Their turnover does not justify the investment in staff. It is easier for them to pass tricky items, such as antiquities and Oriental art, on to the international auction houses in return for a small commission.

of Prudential Property Services, sees his auction houses as a useful ancillary service to offer alongside the profitable activity of selling houses. The average commission on a house sale in the provinces is £700 (although three times that in London), making it a much more worthwhile activity than organising monthly art auctions, where the minimum charge is £8 and annual turnover often is under £200,000.

However, houses that come onto the market often have agency footholds with saleroom appendages. To some extent, the thinning of the ownership in the nation's fine art auctioneers had been under way for years as Phillips, third in size among the UK salerooms with a turnover of £20m in the year ending July, acquired a network of 19 regional rooms. However, the newcomers take a different approach from this established specialist firm with its two centuries of experience.

It opened in June. Not surprisingly, such generosity has not gone down well with the arts intelligentsia. Essen's new opera house may also be turning into a cause célèbre. The project dates from an architectural competition held over 30 years ago - lending weight to those who see the whole thing as a white elephant. Some critics say the new house will only be able to stay open for a limited period, while others foresee the axe falling heavily on other parts of the city's cultural budget to keep the prestigious new venture afloat.

Many claim the state government of North Rhine Westphalia should now take on more of the burden, although its existing arts budget would probably turn many foreign arts executives green. In fact, the state spends less on the arts per head than any of its German counterparts, with expenditure of DM4.41 per head against DM10.82 in the Rhineland Palatinate and DM18.78 in culture-hungry Bavaria. Overall, Mr Schwier's ministry DM200m budget for 1987-88 - 5 per cent up on the previous year - and it is hoping for a further increase next year.

For foreigners used to much lower public subsidies, the heated arguments now taking place in theatres and dressing rooms around the region have a curiously academic ring. The generously-funded German system has long been regarded as an object lesson by envious arts administrators elsewhere. Now it seems that even the well-heeled Germans are not immune to the spending cuts already experienced by many poorer neighbours in Europe.

One area where the Germans have been slow to take the initiative is sponsorship. Such financial assistance is still conspicuous by its absence in North Rhine Westphalia - and indeed, across Germany in general. The need to look for outside money may have been less urgent in the past, while in North Rhine Westphalia itself, run for decades by the Socialist SPD, some probably argued that arts must be funded from the public purse.

Sponsorship can hardly be a complete solution, especially in the Ruhr where many traditional industries are still fighting for survival. But with newer industries being vigorously courted, there is more to the region than coal and steel, while some of the traditional industries like heavy engineer-

ing are now seeing the fruits of years of rationalisation. So industry may be more forthcoming than in the past.

But the question many arts administrators and politicians have so far shirked is the priority of the arts at a time of financial stricture. According to Essen theatre's director Mr Hansguenter Homne, theatre is as indispensable as rubbish collection, and its survival is all the more important at a time when many other forms

of entertainment are degenerating. "It is a brave claim, but one which is hitting deaf ears. Financing will only become easier when unemployment falls and urban population in the region stops declining. Essen's opera house will open later this month to the strains of Wagner's Meistersinger. Anxious arts administrators in the region will be hoping their audiences have not slipped to more affluent Nuremberg too.

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The arts in Europe

When the spending has to stop

Haig Simonian describes the cultural crisis looming on the Ruhr

THE SCAFFOLDING may have come down from Essen's curvaceous new DM140m opera house, but the Musiktheater in Gelsenkirchen had a close run earlier this year and may still not be entirely secure.

The future of Essen's opera house, officially called the Aalto Theater, is the most dramatic example of the cultural crisis now facing North Rhine Westphalia in general and the Ruhr region in particular. Cities like Essen, Bochum and Dortmund invested lavishly on building up culture during their boom years in the 1950s and 60s. Now they are having trouble making ends meet.

The region's cultural openness is remarkable even by open-handed West German standards. Dusseldorf and Cologne both have first class opera companies, while Bonn, backed by the federal government, has been trying to look more like a capital by upping its annual opera budget to DM35m and hiring international stars. Pina Bausch's company has danced its way to international fame from its home in Wuppertal, while the region abounds in good symphony orchestras.

But with some 20 major civic stages, it is in theatre where North Rhine Westphalia - and the Ruhr especially - really stands out, and where the crisis is biting deepest. Yet with now running at 15 per cent and above, generous public commitments to the arts are proving increasingly hard to meet. Budgets are under pressure, and many intendants are up in arms.

Costs are already being cut and new money-raising ventures sought. Mr Hans Schwier, North Rhine Westphalia's culture minister, points to the new production of Wagner's Ring now being undertaken jointly by the state's leading houses, and stresses the need for more such action. But many intendants see it differently. Mr Volker Canaris, the Intendant of Dusseldorf's Schauspielhaus, has repeatedly pointed out that there is a limit to how much can be saved when day-to-day running costs account for some 85 per cent of expenditure; and some colleagues seem to regard co-productions as penny-pinching by another name.

Others are upset about the way existing cash is being spent. Bochum's Intendant, Mr Frank-Patrick Steckel, has voiced opinion in the city financial support for the German premiere of Starlight Express, the spectacular Andrew Lloyd Webber railway musical. The city and the state government have dished out almost DM23m on a purpose-built hall for the show, which received mixed reviews when

No theatres have gone dark yet, but the Musiktheater in Gelsenkirchen had a close run earlier this year and may still not be entirely secure. Gelsenkirchen, another old coal and steel town in the northern Ruhr, has lost 30 per cent of its population in the past two decades, with an attendant fall in tax income. Hence the plan to cut the Musiktheater's subsidy from DM25m to DM15m by 1991. The ensuing outcry, with reports that the theatre would

As local councils tighten their belts, the theatre feels the pinch

have to close and warnings of a likely domino effect, persuaded the city council to rescind its decision. Ironically, the arts crisis comes just at a time when many local communities are waking up to the value of culture as a way of stimulating economic development, be it through new jobs in the arts, or by changing perceptions of the region as a blood and iron workshop. Yet despite a greater awareness of the value of culture in "selling" a community to potential investors from outside, money remains tight. Matters look set to worsen given the Bonn government's planned tax reform, which will lop around DM750m a year off local coffers after 1990.

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ARTS

The man behind 'Les Miz'

Michael Coveney reports on a phenomenal success story

LES MISERABLES, "the musical sensation," was given its German language premiere at the Raimund Theatre, Vienna, last weekend.

At the performance I attended, the audience greeted the cast with a rapturous ten-minute standing ovation.

The production has been staged by Gale Edwards, an Australian who assisted Trevor Nunn on the Sydney version last November.

The intensity, power and lyricism of the singing are remarkable. The Jean Valjean of Richard Brunsman, for instance, is darkly secretive but fiercely projected.

The emotional Gallickim of the score by Alain Boublil and Claude-Michel Schönberg is well suited to German, and the lyrics of Herbert Kretzmer have been set with notable flexibility to meaning and style.

John Napier's Paris barricades, a teeming city in themselves, as Hugo described, remain a potent kinetic art work of chairs, wheels and ladders, with an added touch, I fancy, of Viennese black wrought iron.

The extraordinary popular appeal of "Les Miz," or "The Gypsies," as it is sometimes dubbed, lies in this romantic

identification with trampled hope and an instinctive bourgeois joy at the assimilation of a Viennese melodrama in an instantly recognisable and affecting rock idiom.

Over 1.5m people have seen the show in London. It has been a hit from New York to Tokyo.

The worldwide box office take at the end of July stood at \$150m. In Oslo, it is estimated that one fifth of the entire Norwegian population has bought a ticket.

This is a phenomenon that cannot be explained away merely by fluke and good marketing. "Les Miz" touches raw nerves, feeds a keen appetite.

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identification with trampled hope and an instinctive bourgeois joy at the assimilation of a Viennese melodrama in an instantly recognisable and affecting rock idiom.

from the international success masterminded by the commercial co-producer, Cameron Mackintosh.

In Vienna last weekend, Mackintosh confirmed that the RSC receives 30 per cent of all he earns in producing fees.

Meanwhile, in London, Mackintosh, who has just announced that the next collaboration of the Les Misérables team, Miss Saigon, will open at Drury Lane in September 1989.

And in Vienna, Mackintosh was anxious to hear about Timberlake Wertenbaker's current Royal Court adaptation of Thomas Kenally's The Playmaker.

It is this obsession with new projects, with new collisions of talent and with new ideas in the increasingly adjacent worlds of opera and theatre, that makes Mackintosh so important a contemporary producer.

As he is operating in a subsidised context, Mackintosh does not take a percentage of the profits, but an escalating royalty. He guards his property with jealousy but, more importantly, is a creative participant in each of his manifestations.

ferred from the RSC's Barbican Theatre to the Palace in December 1985 with advance bookings of just £300,000.

Cats, which just about opened for lack of capitalization, was the show that unexpectedly revolutionised the British commercial theatre.

Bookings patterns are interesting. In London, Cats sells 75 per cent of its advance to groups.

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Eric Vu An, full of ardent energy in Roland Petit's "L'Arlésienne"

Dance to the music of time

Clement Crisp suffers acute nostalgia at the Lyon Biennale

LYON IS the proud owner of a Maison de la Danse whose director, Guy Darmet, fills it with performance by national and international troupes throughout the year.

I have reported previously from Lyon - where dance is rivalled by cuisine as a matter for serious concern by the inhabitants - and this year the celebrations have an special emphasis in that 1988 is officially Dance Year in France.

The resultant triple bill was a matter for acute nostalgia for those of us who were old de Cuevas hands, but it also suggested to today's audience something of the vivid pleasures of de Cuevas performances.

The opening performances provided a very fair view of the Biennale's style and range. The Ballet du Nord, based at Rou-

baix, is directed by Alfonso Caia, a former member of the New York City Ballet and of the Grand Ballet du Marquis de Cuevas.

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swamped in feathers and flummery. Night Shadow, if it is to make its full effect, must place its Gothic mysteries within a clearly drawn setting, with no less clearly drawn performances.

There was, predictably, fine dancing in last Saturday's Gala which summed up the Biennale's theme of four centuries of French dance.

There was, predictably, fine dancing in last Saturday's Gala which summed up the Biennale's theme of four centuries of French dance.

ence is more deserving of that word - we saw a reconstructed entrée from a ballet of 1891, elegantly given by Jean Christophe Paris, and an evocation of a ballet class of 1830 for Wilfride Piollet and Jean Guizeric.

The honours of the evening must, though, go to Eric Vu An, an Albrecht of passionate force in the second act entry and adagio from Giselle - gesture vivid, dance glorious in outline and meaning - with Elisabeth Maurin, and then partnering an impeccable Dominique Khalilou in the closing scenes from Roland Petit's L'Arlésienne, where he found all the despair and ardent Frederi's haunted spirit.

Two tributes to Nijinsky were more than a little self-indulgent. Patrick Dupond and the members of his Ballet Francaise de Nancy were involved in John Neumeier's Vostok, which not even Dupond's bravura can make seem rational; Michel Kleimems made a Fauna Pomitch for himself which said nothing good about its subject, and little about the aspirations of French modern dance.

DAVID KERNAN for Showpeople presents: Sundays at the PLAYHOUSE. SUNDAY OCTOBER 2 at 8.00 IAN MCKELLEN ACTING SHAKESPEARE. SUNDAY OCTOBER 9 at 8.00 NED SHERRIN. SUNDAY OCTOBER 16 at 8.00 SONDEHEIM. SUNDAY OCTOBER 23 at 8.00 ELISABETH WELCH. SUNDAY OCTOBER 30 at 8.00 DEREK JACOBI & ISLA BLAIR. SUNDAY NOVEMBER 6 at 8.00 PRUNELLA SCALES IAN RICHARD PARTRIDGE RICHARD BURNETT. SUNDAY NOVEMBER 13 at 8.00 ALAN BATES.

Radio. Eliot Olympiad. NOTHING IN this column about the Olympics. Radio coverage is mostly on Radio 2 in the middle of the night, but that great outing for professional amateurs lost my devotion when it accepted synchronised swimming as a sport.

Drama under the knife. Antony Thorncroft reports on Arts Council grants. LAST WEEK Foco Novo announced that it was to cease trading, following the loss of its annual Arts Council grant.

Sunday Viewing: 2.30 - 5.00pm. Viewing for next week's sales: Objects of Vertu. English & Continental Furniture Jewellery. BONAAMS KNIGHTSBRIDGE.

Britain wins three out of four at the Prix Italia. IN GAPRI yesterday the British reinforced a long tradition of success at the Prix Italia, Europe's oldest broadcasting festival.

Pick of the week at Christie's. THIS RARE signed and electroplated toast rack was designed by Dr. Christopher Dresser in the 1880s for James Dixon & Sons. This will be one of the highlights at the sale of International Decorative Arts from 1880 to the Present Day to be held at Christie's, King Street on Wednesday, 28 September at 10.30 a.m and 2.30 p.m.

ART GALLERIES. MALDENBOROUGH 6 Albemarle St. W1. Harry Mould & Sons. PAWSON GALLERY 51 Macclesfield St. London SW1.

The "special" RAI prize for TV drama (long regarded as a second prize despite repeated denials) was awarded to Tumbledown, the notorious work by Charles Wood about the life of a young Guards officer wounded in the Falklands.

CHRISTIE'S. 8 King Street, London SW1. 85 Old Brompton Road, London SW7. 164-166 Bath Street, Glasgow.



SPORT

Lewis looks capable of a 'double Jesse Owens'

The great Olympic adventure begins for the supreme athlete



Carl Lewis breaks away from the pack on his way to first place in the first 100-metre heat in Seoul

Memories of a taste of freedom

Continued from page 1

been expunged from my thoughts. To survive in the nightmare I had to root out everything which reminded me of happier days.

'I was trembling with cold and sheer terror. So I prayed to the Lord: if I get out alive from this nightmare I'll never touch another drop of alcohol. But then I thought better of it: was life worth living without claret?'

them out very well. His memory, which often played him tricks, worked to perfection where wine was concerned.

about grape varieties, the quality of individual vintages. As a pupil he was both enquiring and talented.

I thought I was going to die. I believed that my wardens had abandoned me in a despatch quarry where I heard only the sound of drops of water dripping in the silence.

So there are now two more claret lovers. But that's no reason to put out the flag: two are missing from the roll-call. I would dearly love to finish with a flourish.

ALREADY ACKNOWLEDGED as the outstanding athlete of the 1980s, Carl Lewis of the US appears to have timed his Olympic preparations with such towering skill that he now looks capable of scoring a "double Jesse Owens."

Four years ago, at the Los Angeles Olympics, Lewis duplicated Owens' feat of 1936 by winning gold medals in the 100 metres, 200 metres, long jump and sprint relay. Now aged 27, Lewis has matured into a supreme athlete for whom the first big test of the Seoul Olympics will come in today's 100 metres final.

But Johnson appears not to have recovered fully from an injury to the hamstring muscle in his left leg that he suffered last February. He seemed discomfited yesterday, finishing only third in the second round first heat, though admittedly in the round's sixth fastest time of 10.17 seconds.

The first heat was won by Britain's Linford Christie in 10.11 seconds, the second fastest time of the round, while Calvin Smith of the US also raced impressively, qualifying in 10.15.

In the first round of the men's 800 metres, Britain's Steve Cram, Peter Elliott and Tom McKean all qualified easily, as did the feared Moroccan, Said Aouita, and Joaquim Cruz of Brazil.

Cram is the world mile record holder, Aouita the world's 1500 metres record holder and Cruz the defending Olympic 800 metres champion and record holder. The second round of the 800 metres is today, the semi-finals tomorrow and the final on Monday.

In the men's 400 metres hurdle Britain's Krisie Alkhusal moved in to today's semi-finals with a time of 49.62 seconds, though team mates Philip Harries and Max Robertson were eliminated, the latter after tripping down the last hurdle.

Whereas the Seoul Games are virtually over for Ben Johnson, for Carl Lewis the adventure is just beginning. Win or lose today, that will be Johnson's lot, for his varicose talent makes him essentially a one-time man.

If Lewis wins today, he will gain adequate revenge for Johnson's most celebrated win in their eight-year-old battle, their world championship clash in Rome last August when Johnson beat Lewis by demolishing the world record, bettering an entire tenth of a second off it to win in 9.83 to Lewis's 9.93.

They have only met once since, Lewis winning in Zurich last month in 9.93 - a race that yielded each of them a reported \$250,000. Lewis still finds it difficult to accept that Johnson lowered the record in Rome last August by such an immense margin without beating the gun and the track computer in some way not detected by the electronic shoe pads in the starting blocks.

Videos show that Lewis was slow to leave the blocks that day whereas Johnson was

superhumanly fast, gaining a lead of almost a metre in the first tenth of a second - so fast, indeed, that Johnson almost fell out of his lane before he had travelled five metres.

But that was Rome. In Seoul, Lewis has a chance to outshine his mighty rival by becoming the first Olympic 100 metres champion to retain his crown. In 1976, Valery Borzov of the Soviet Union won the 100

which is why Lewis uniquely, has an opportunity to pull off the "double Jesse Owens."

For Britain, the next eight days will show whether the golden flush of the past eight years has well and truly gone. It will be a miracle if it hasn't, not because Britain is necessarily back-peddalling, or being swamped by others, but because the bonanza of the 1980s was a once in a century occurrence.

Two of Britain's great Olympic champions are missing: Sebastian Coe and Steve Ovett, who between them won six medals, including three golds at 800 and 1500 metres in 1980 and 1984.

Decathlon star Daley Thompson is here, though facing problems, as are those warblers of the women's javelin, Fatima Whitbread and Tessa Sanderson.

By a process of robust elimination, Britain's best chances of athletics gold therefore rest with Steve Cram in the 800 and 1500 metres. It is impossible to predict how Cram, in his third Olympics, will fare in his quest to add to his 1500 metres silver medal in Los Angeles, partly because these are the most wide open Olympics in 16 years, partly because of the troublesome presence of Aouita.

At least Cram sounds confident, saying this week that he had recovered from the muscle strain at the base of his right calf that cost him a week of his build up.

"I've finished training and I'm looking forward to racing," he said. "I've put all my troubles behind me. In terms of preparation, I don't think I have had a better year. Last year was a bad year. I would like to leave it at that."

"I'm not one who goes in for a lot of self-analysis. I was physically in good form. Knowing that the competition is going to be tough, you can't help being motivated. The racing was fast in Los Angeles. It will probably be the same here."

CROSSWORD

No. 6,742 Set by GRIFFIN Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday October 5, marked Crossword 6,742 on the envelope, to the Financial Times, 10 Cannon Street, London EC4A 3DF. Solution on Saturday October 8.

Crossword puzzle grid with numbers 1-30 indicating starting positions for clues.

- 1 An individual consumer? (8)
2 Vicar, getting back into bed, is concealed (6)
3 Good French cook came round for the atmosphere (6)
4 Work in Peel involved the family (6)
5 Decides to take 500 heather plants (9)
6 Ring-leader embraced by pale dancing girl (5)
7 Permit fool to return music centre (4)
8 Opening wide any wing after rebuilding (7)
9 Robert worked hard admitted fellow member (7)
10 Could be sweet or bad girl (4)
11 Following Lawrence into the RAF, flying (5)
12 Agreed on a smashing drink (5)
13 One appears to get leuc-de-l'ys (6)
14 Crack mimic rejected dreary routine in mid-stream (8)
15 Deny one ought to go to exit (5)
16 Always reverses broken lead as shown (5)
17 Wearing away a supporter, my boy takes egot (5)
18 Silly ogee during which it's also returned (8)
19 Rings man up about opportunity (4)
20 Stamp 'Up-market, please depart 50%' (7)
21 Part-time worker from America turned up in California (8)
22 Guard given food back on purpose (5)
23 "Midnight Rose", possibly a spiny shrub (5)
24 Solution to Puzzle No. 6,741

TELEVISION & RADIO SATURDAY

Television and radio schedule for Saturday, listing programs like BBC1, BBC2, Channel 4, S4C Wales, Anglia, Central, Channel, Granada, HTV, Scottish, Yorkshire, TSW, and Tyne Tees.

TELEVISION & RADIO SUNDAY

Television and radio schedule for Sunday, listing programs like BBC1, BBC2, Channel 4, S4C Wales, Anglia, Central, Channel, Granada, HTV, Scottish, Yorkshire, TSW, and Tyne Tees.

RADIO 3

Radio 3 schedule listing programs like Morning Concert, The Week on the Radio, and various music and news programs.

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